



远 东 宏 信
FEHORIZON



2025 | Sustainability & Environmental, Social and Governance (ESG) Report

Incorporated in Hong Kong with limited liability
Stock Code: 03360.HK

CONTENTS

STATEMENT ON PREPARATION OF THE REPORT 01

KEY SUSTAINABILITY PERFORMANCE OVERVIEW OF FAR EAST HORIZON IN 2025 03

ESG MANAGEMENT STATEMENT FROM THE BOARD OF DIRECTORS 05

ABOUT FAR EAST HORIZON

01

1.1 Company Profile	07
1.2 Fields of Business	08
1.3 Organisational Structure	10
1.4 Honours and Awards	11

MATERIALITY ASSESSMENT OF SUSTAINABILITY TOPICS

02

2.1 Materiality Analysis Procedures	13
2.2 Stakeholders Communication	14
2.3 Conclusions of the Materiality Analysis	16

LEADING SUSTAINABILITY, ENVISIONING THE FUTURE

03

3.1 ESG Governance Arrangements	19
3.2 Sustainability Philosophy and Strategy	21

ENVIRONMENTAL

GREEN TRANSITION AND NATURE INTEGRATION

04

4.1 Climate Change Response*	27
4.2 Ecosystem and Biodiversity Protection	38
4.3 Sustainable Finance*	43
4.4 Environmental Management	47

SOCIAL

EMPOWERING THE REAL ECONOMY WITH TECHNOLOGY FOR GOOD

05

5.1 Real Economy Support*	55
5.2 Customer Service and Satisfaction*	60
5.3 Fintech*	63
5.4 Privacy and Data Security*	65
5.5 Access to Finance*	69
5.6 Supplier Sustainability Management	72

PEOPLE-CENTRED, FLOURISHING TOGETHER

06

6.1 Human Capital Management*	74
6.2 Occupational Health and Safety	85
6.3 Public Welfare and Rural Revitalization	88

GOVERNANCE

GOVERNANCE INNOVATION AND RESILIENCE ASSURANCE

07

7.1 Corporate Governance*	96
7.2 Risk and Crisis Management*	101
7.3 Compliance Operations*	107
7.4 Business Ethics*	110

SPECIAL REPORTS OF THREE INDUSTRIES

CDHORIZON SPECIAL REPORT: SMART CONSTRUCTION, GREEN FUTURE

08

8.1 Overview of the CDHORIZON Operations	116
8.2 Construction and Equipment Quality	119
8.3 Safety Production	123
8.4 Opportunities in Clean Tech	127

HORIZON HEALTHCARE SPECIAL REPORT: UNIVERSAL HEALTH ACCESS, COMPASSIONATE CARE

09

9.1 Overview of the Healthcare Industry	131
9.2 High-Quality Medical Services	132
9.3 Healthcare Facility Safety	134
9.4 Access to Healthcare Services	135

HORIZON EDUCATION SPECIAL REPORT: EDUCATION INNOVATION, NURTURING EXCELLENCE

10

10.1 Overview of the Education Industry	138
10.2 Campus Education and Safety	139

ESG DATA TABLES AND NOTES

141

Economic Performance Table	141
Environmental Performance Table	141
Social Performance Table	146
Governance Performance Table	150

REPORT STANDARD INDEX TABLE

151

APPENDIX 1: GLOSSARY

156

APPENDIX 2: INDEPENDENT THIRD-PARTY ASSURANCE STATEMENT

158



STATEMENT ON PREPARATION OF THE REPORT

This report is the third sustainability report issued by Far East Horizon Limited (hereinafter referred to as “Far East Horizon” or “the Company”) and the 13th environmental, social, and governance (ESG)-related report. It aims to elaborate on the practices and achievements of Far East Horizon Limited and its subsidiaries (hereinafter referred to as “the Group”) in implementing sustainable development principles and ESG management. The Board of Directors of Far East Horizon is responsible for the authenticity and completeness of this report.

SCOPE OF THE REPORT

Organizational Scope: Unless otherwise stated, the organizational scope aligns with that of the Company’s annual consolidated financial statements.

Reporting Period: Unless otherwise stated, the reporting period is from 1 January 2025 to 31 December 2025.

Reporting Cycle: This is an annual report, with the previous report published in March 2025.

BASIS FOR PREPARATION

This report was prepared in accordance with the requirements of Appendix C2 to the *Listing Rules*, the *Environmental, Social and Governance Reporting Code* (effective on 1 January 2025) of the HKEX and with reference to the *GRI Standards* (Version 2021) issued by the Global Sustainability Standards Board (GSSB). The specific responses to the metrics can be found in Standard Index Table.

REPORT LANGUAGE

This report is available in both Simplified Chinese and English. In case of discrepancies, the Simplified Chinese version shall prevail.

DATA EXPLANATION

The financial data in this report are sourced from the *2025 Annual Report of Far East Horizon Limited*, while other data and case studies originate from actual operational records of the Company. Unless otherwise stated, monetary amounts in this report are denominated in RMB. Additionally, unless otherwise stated, the statistical scope of textual descriptions and data in this report aligns with that of the Company’s Annual Consolidated Financial Statements.

REPORTING PRINCIPLES

This report follows the information disclosure principles set out in the *Environmental, Social and Governance Reporting Code* of the HKEX, including:

MATERIALITY

This report identifies key topics to be addressed through stakeholder engagement and materiality analysis. It focuses on reporting environmental, social, and governance matters that may significantly impact investors and other stakeholders.

QUANTITATIVE

This report discloses key quantitative performance metrics and provides explanations regarding their definitions, calculation bases, and assumptions.

BALANCE

This report presents an objective reflection of facts and discloses both positive and negative performance metrics.

CONSISTENCY

This report clearly states the statistical methods and scope for ESG key quantitative performance metrics. Efforts have been made to maintain consistency in metrics and calculation methods across different reporting periods to reflect performance trends.

EXTERNAL ASSURANCE

The data, relevant policies, and management systems in this report have been independently verified by the third party Société Générale de Surveillance (SGS). The assurance statement can be found in Appendix 2: Independent Third-party Assurance Statement.

REPORT PUBLICATION

The PDF version of this report can be downloaded from the official website of HKEX news and [the Company's Official Website](#). For any comments or suggestions regarding this report, please email us at csr@fehorizon.com.

KEY SUSTAINABILITY PERFORMANCE OVERVIEW OF FAR EAST HORIZON IN 2025

Economic Performance

Total assets

RMB **370,961**
million

Profit before tax

RMB **8,032**
million

Basic earnings per share

0.87 RMB/Share

Total tax payment

RMB **5,711**
million

Environmental Performance

Metric	Unit	Target	2025	Progress
Greenhouse gas emissions (Scope 1 and Scope 2)	tCO ₂ e	Strive to achieve carbon neutrality across the entire value chain by 2050	103,060.96	In progress
Greenhouse gas emissions intensity per unit of revenue (Scope 1 and Scope 2)	tCO ₂ e/RMB million	8% reduction in 2025 from the base year (2021)	2.88	47.25% reduction from the base year (Completed)
Energy consumption per unit of revenue	tce/RMB million	25% reduction in 2030 from the base year (2022)	0.89	54.12% reduction from the base year (Completed)
Water consumption per unit of revenue	m ³ /RMB million	25% reduction in 2030 from the base year (2022)	50.65	20.34% reduction from the base year (In progress)

Social Performance

Metric	Unit	2025
Total number of employees	person	22,228
Proportion of male employees	%	57.65
Proportion of female employees	%	42.35
Average training hours per employee under the finance sector	hour	38.19
Average training hours per employee under the industry sector	hour	33.83
Spending in community public welfare	RMB10,000	398.90
Volunteer service hours	hour	4,803
Direct beneficiaries of public welfare projects	person-time	Over 20,000

ESG MANAGEMENT STATEMENT FROM THE BOARD OF DIRECTORS

The year 2025 marks a pivotal breakthrough for Far East Horizon as it enters fully into its 3.0 era. In the face of a historic reshaping of the global economic landscape and the rapid structural adjustment of China's economy, the Group has remained firmly committed to its mission of "integrating global resources and promoting industry development". Adhering to the development strategy with "Finance + Industry" as its two engines of business growth, the Group stays anchored in its strategic positioning of "Backed by Mainland, Based in Hong Kong, Facing the Globe". It has leveraged its advantages in marketization, internationalization, and specialization to steadily and effectively advance the implementation of its strategy.

Strengthening Strategic ESG Governance Framework to Lead Sustainable Development Practices

The Group has established an ESG governance structure comprising the "Board of Directors – ESG Committee under the Board of Directors – ESG Task Force". The Board of Directors is responsible for assessing and identifying ESG-related risks and opportunities, approving ESG policies, strategies, priorities and targets, as well as disclosures including the Sustainability & ESG Report, and overseeing on an ongoing basis the development of ESG risk management and internal control systems. In 2025, the Board of Directors of Far East Horizon actively discharged its ESG governance responsibilities by convening four regular Board meetings, receiving dedicated briefings on the Group's ESG progress, supervising and guiding the Group's ESG work, and tracking the implementation of the Company's ESG strategy through monthly review of the *Monthly Report of the Board of Directors*.

In 2025, drawing on the latest benchmarking standards, capital market rating requirements and industry best practices, the Group conducted a systematic update of its foundational topic inventory and identified 24 topics. A double materiality assessment was conducted on the selected topics based on financial materiality and impact materiality, with the assessment results serving as a key basis for topic management and decision-making. In respect of identified material topics, Climate Change Response, Sustainable Finance, Customer Service and Satisfaction, and Human Capital Management, the Group established dedicated metrics and targets, and dynamically tracked progress to ensure that all targets are achieved on schedule. In parallel, drawing on its own operational context, the Group continued to refine the philosophy, policies and measures governing topic management, updating and publicly releasing policy documents including the *Employee Rights Protection Policy Statement* and the *Sustainable Investment Policy*, thereby enhancing the standardisation and transparency of sustainability management.

Deepening Diverse ESG Practices to Enable Sustainable Value Creation

The Group has continued to advance its low-carbon transition, systematically identifying climate change-related risks and opportunities in accordance with international standards, so as to effectively manage climate risks whilst actively seizing development opportunities arising from the transition process. The Group remains committed to green operations as the foundation of sustainable operations, regularly tracking progress against environmental targets and rigorously implementing measures covering energy and water conservation, waste management and related areas, whilst continuously exploring and practising green and low-carbon operating models. With respect to ecological and environmental protection, the Group adheres to a range of international initiatives, conventions and national policies and plans, systematically identifying nature-related risks and opportunities and formulating targeted response measures, so as to help maintain ecosystem balance and biodiversity. At the same time, the Group is actively developing sustainable finance. In its capacity as an "investment manager", it has formally signed the United Nations Principles for Responsible Investment (PRI), directing capital flows towards green and low-carbon sectors through responsible investment and financing activities, driving the green transition of the economy and society, and striving to achieve synergies among economic, social and ecological benefits.

The Group puts into practice the "Finance + Industry" collaborative model, delivering precise support to the real economy through diversified services encompassing financial leasing, asset investment management, equity investment and equipment operations, giving practical expression to the "five key articles". The Group has deepened its digitalization strategy centred on "strategic guidance, user-centricity, and the integration of operations and management", continuously attracting and developing high-calibre talent, strengthening data privacy and security protection, and enhancing its intrinsic competitiveness. Furthermore, the Group remains steadfast in its public welfare philosophy of "accumulating small acts of kindness to manifest boundless compassion", and through the Horizon Charity Foundation, continues to direct efforts towards rural revitalization, scholarship and student assistance, medical aid, voluntary action and related fields, fulfilling its social responsibilities and supporting the sustained development of public welfare causes.

The Group has continued to optimise its governance framework, upholding a comprehensive risk management governance structure with the Board of Directors as the highest decision-making body. It systematically identifies and addresses both traditional and emerging risks encountered in the course of operations, implements risk management processes and controls, and substantively enhances its overall risk management capabilities. In parallel, the Group has continued to strengthen compliance management in specialised areas, deepening business ethics construction in areas such as anti-corruption and anti-unfair competition, with a focus on improving operational transparency and enhancing sustainability resilience.

Acclaimed ESG Achievements, Charting a New Chapter in Sustainable Development

Far East Horizon has consistently leveraged its robust ESG management system and solid sustainability practices to earn numerous accolades and receive high recognition from international institutions in the field of sustainable development. The Group achieved a series of significant milestones in sustainable development, most notably: sustained an S&P CSA score of 54; receiving a B rating across all three core questionnaires of CDP covering climate change, forests and water security; and successfully obtaining Science Based Targets initiative (SBTi) validation, becoming the first financial institution on the Chinese Mainland to receive this authoritative certification.

Looking ahead, as Far East Horizon embarks on its journey into the new 3.0 era, the Group will continue to deepen the organic integration of its sustainability philosophy throughout all aspects of its operations and management, promote the healthy, stable and harmonious development of the industrial economy and society, and strive to become a pioneer and advocate in the field of sustainable development, continuously creating long-term value for all stakeholders.



1. ABOUT FAR EAST HORIZON

1.1 Company Profile

Far East Horizon Limited, established and registered in Hong Kong, is a comprehensive group spanning finance and industry. The Group is committed to serving the real economy with its market, international and professional advantages, while fulfilling the mission of “integrating global resources and promoting industry development”. For years, it has led the industry development, and ranked on the lists of Fortune China 500 and Forbes Global 2000 consecutively.

The Group gathers quality fund, capital, industrial, technology and talent resources from around the world to meet customers’ needs. Using constant innovation as its drive and combining its financial resources and industrial resources, it has continuously provided all-round support for customers’ development.

Basic Information of Far East Horizon

Company name	Far East Horizon Limited
Stock code	03360.HK
Headquarter’s address	Hong Kong, China
Asset size ¹	RMB370.961 billion
Operating income ¹	RMB35.785 billion
Total number of employees ¹	22,228

Note 1: Data is up to date until 31 December 2025.

Corporate Culture System of Far East Horizon



Mission

Integrating global resources and promoting industry development



Enterprise spirit

Resolution to seek after truth, rigorous and practical style, idea of renewal and innovation, courage to face difficulties, relentless and constant desire, aspiration and responsibility, heroic and fearless spirit.



Vision

Striving towards excellence



Cultural features

“Three Ones” culture: Far East Horizon is an army, a school, and a family



Strategic tenet

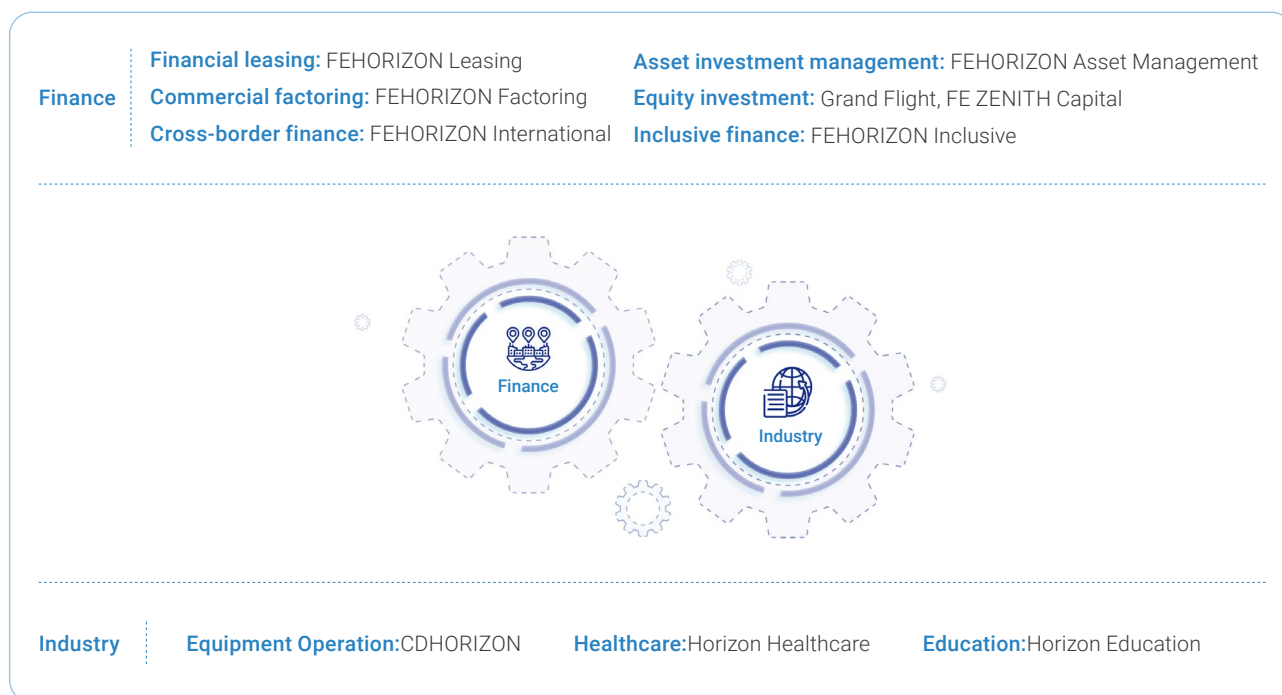
“Finance + Industry” developed as two engines for business growth

1.2 Fields of Business

Business Structure

The Group adheres to the development strategy with “Finance + Industry” as its two engines of business growth. Taking root in China’s key industries, the Group is committed to providing comprehensive financial services, such as financial leasing, commercial factoring, cross-border finance, infrastructure investment, equity investment, inclusive finance, and asset investment management, in fields including city utilities, healthcare, culture tourism, engineering construction, machinery manufacturing, chemicals and pharmaceuticals, electronic information, public consumption, and transportation & logistics. Also, it offers industrial operation services, such as equipment operation (CDHORIZON, 09930.HK), hospital operations, healthcare and elderly care, and education.

Strategy of “Finance + Industry” Developed as Two Engines for Business Growth



For more information about the “Finance + Industry” strategy and services, please refer to [the website of Far East Horizon](#).

Service Network

Far East Horizon is headquartered in Hong Kong, China, with business operation centres in Shanghai, Tianjin and Guangzhou, offices in nearly 20 core cities across China, and a host of subordinate organizations distributed extensively, forming a service network in the Chinese mainland. As at the end of 2025, the Group had total assets exceeding **RMB350 billion** and around **20,000** employees, provided comprehensive financial services to more than **40,000** corporate customers, and accumulatively injected over **RMB1 trillion** in the real economy.

Service Network of Far East Horizon

It extends business around the globe and builds a strategic footprint of “Backed by Mainland, Based in Hong Kong, Facing the Globe”



1.4 Honours and Awards

Honours and Awards in 2025

Rated/Issued by	Entity	Key Honours and Awards
S&P	Far East Horizon	Issuer credit rating was BBB-; Independent credit standing was "BBB-".
S&P Corporate Sustainability Assessment (CSA)	Far East Horizon	Selected for <i>S&P Global Sustainability Yearbook 2025 (China Edition)</i> by virtue of our 2024 S&P CSA score. The 2025 S&P CSA score remained at 54, placing us at a leading level within the domestic industry.
FTSE4Good Index	Far East Horizon	Included as a constituent stock of the FTSE4Good Index Series for nine consecutive years.
Carbon Disclosure Project (CDP)	Far East Horizon	In 2025, we received a B rating in the assessments of all three questionnaires on climate change, forests and water security.
Science Based Targets initiative (SBTi)	Far East Horizon	Its science-based targets were formally validated by the Science Based Targets initiative (SBTi), making it the first financial institution in the Chinese mainland to receive this authoritative certification.
10th Value Co-Creation Annual Trend Forum	Far East Horizon	Awarded the Sustainable Product Innovation Award at the 10th Annual Value Co-creation Trend Forum.
Shanghai Pudong New Area People's Government	FEHORIZON Leasing	Won "Economic Special Contribution Award" for the 14th year straight in 2025.
Forbes	Far East Horizon	Listed in the Forbes Global 2000 for the 9th year straight.

Industry Organisation Membership

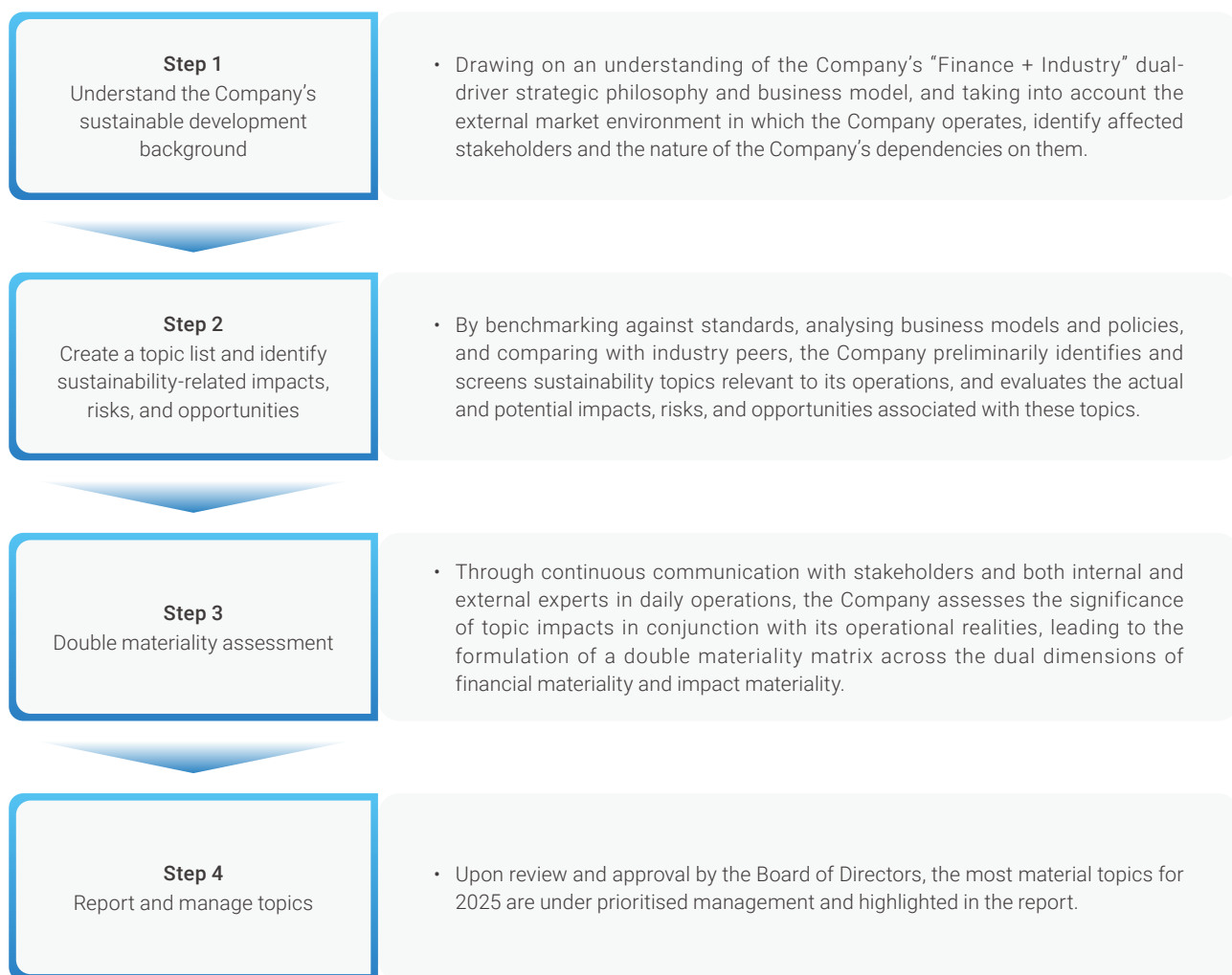
Organisation	Status
The Hong Kong General Chamber of Commerce	Member
The Hong Kong Chinese Importers' & Exporters' Association	Member
The Chinese Manufacturers' Association of Hong Kong	Member
The Hong Kong Chinese General Chamber of Commerce	Member
Shanghai Foreign Investment Association	Council Member
Tianjin Association of Enterprises with Foreign Investment	Member
Shanghai Hong Kong Chamber of Commerce	Member
Shanghai Leasing Trade Association	Vice-president
Tianjin Leasing Association	Vice-president
Guangzhou Financial Leasing Industry Alliance	Council Member
Guangdong Association of Enterprises with Foreign Investment	Member
Lujiazui Financial City Council	Executive Council Member

2. MATERIALITY ASSESSMENT OF SUSTAINABILITY TOPICS

2.1 Materiality Analysis Procedures

Material topics serve as the foundation for Far East Horizon’s sustainable development, ESG management, and information disclosure. The Group identifies, assesses, prioritises and reports on material topics through internal processes such as due diligence and risk management, combined with an analysis of policy trends, the latest disclosure requirements of HKEX, and the focus areas of capital market rating agencies, as well as stakeholder engagement and an assessment of the Company’s actual operating conditions.

Far East Horizon’s 2025 Materiality Analysis Procedures



2.2 Stakeholders Communication

Based on the characteristics of its business and management operations, Far East Horizon has identified seven key stakeholders, including investors, customers, employees, the environmental, communities and the public, governments and regulators, and partners, from two dimensions, namely, their interests are significantly influenced by the Group's business activities and they have significant influence on the Group's business activities. Concurrently, it communicates with stakeholders regularly through multiple channels to respond to their concerns.

Communication and Response to Far East Horizon's Key Stakeholders

Key Stakeholders	Importance	Concerned Topics	Communication and Responses
Investors	We must create value for our investors.	<ul style="list-style-type: none"> • Compliance operations • Corporate governance • Business ethics • Risk and crisis management 	<ul style="list-style-type: none"> • Shareholders' Meeting • Financial and performance reports • Information disclosure • Investor communication meetings and surveys
Customers	We provide comprehensive financial services and industrial operation experience to help customers create long-term value.	<ul style="list-style-type: none"> • Privacy and data security • Fintech • Real economy support • Access to finance • Customer Service and satisfaction • Construction and equipment quality • High-quality medical services • Healthcare facility safety • Campus education and safety 	<ul style="list-style-type: none"> • "Three lines of defence" regarding information security • Digital systems on marketing and asset sides • Supporting "Little Giants" – specialized and sophisticated SMEs that are distinctive and innovative • Supporting the development of micro, small and medium-sized enterprises (MSMEs) • After-sales services and complaints • Customers satisfaction surveys • "Hongyiguan" internet hospital platform • Hotline Communication Mechanism of Horizon Education • Safety and fire protection knowledge training
Employees	Employees are the most important cornerstone for corporate development.	<ul style="list-style-type: none"> • Human capital management • Occupational health and safety • Safe production • Healthcare facility safety • Campus education and safety 	<ul style="list-style-type: none"> • <i>Employee Rights Protection Policy Statement</i> • Employee recruitment strategies • Employee training system • Daily operations of labour union • Employee engagement survey • Production Safety Month activities of CDHORIZON • Health management measures • Safety and fire protection knowledge training

Key Stakeholders	Importance	Concerned Topics	Communication and Responses
Environmental	Our business operations may affect the ecological environmental.	<ul style="list-style-type: none"> • Climate change response • Sustainable finance • Environmental management • Ecosystem and biodiversity conservation • Supplier sustainability management • Opportunities in clean tech 	<ul style="list-style-type: none"> • Science-based carbon targets certified by the SBTi • Developing sustainable finance • Green operation initiatives • Publication of the TNFD Report • Green procurement • Clean technology input and R&D of Horizon Construction Development (CDHORIZON)
Communities and the public	Our business operations may affect community development.	<ul style="list-style-type: none"> • Access to healthcare services • Public welfare and rural revitalization 	<ul style="list-style-type: none"> • Horizon Healthcare's Elderly-friendly Service System • Community activities • Volunteer activities • Public welfare projects such as rural revitalization and environmental protection projects
Governments and regulators	Government plays a supervision part in our business operations.	<ul style="list-style-type: none"> • Compliance operations • Business ethics • Real economy support • Public welfare and rural revitalization 	<ul style="list-style-type: none"> • Participating in governments' surveys • Policy implementation • Information disclosure • Reporting channels • Supporting infrastructure construction • Horizon Charity Foundation "Qianlicao Aid Programme" and other rural revitalization projects
Partners	The partners need to share the same values with us on sustainability.	<ul style="list-style-type: none"> • Compliance operations • Business ethics • Supplier sustainability management 	<ul style="list-style-type: none"> • Negotiations on strategic cooperation • Holding bidding conferences for the public • Exchange visits

2.3 Conclusions of the Materiality Analysis

In 2025, drawing on benchmarking against standards, rating requirements and industry peers, Far East Horizon updated its foundational topic inventory eligible for inclusion in the Company's materiality screening process, comprising a total of 29 topics, 6 under the environmental dimension, 16 under the social dimension, and 7 under the governance dimension.

Based on the Company's actual business conditions, stakeholder engagement outcomes and the analytical views of internal and external expert groups, the Group identified 24 material topics. Of these, 8 topics were assessed as material across both dimensions: "degree of impact on society and the environment (impact materiality)" and "degree of impact on enterprise value creation (financial materiality)".

Far East Horizon's Sustainability Topics Pool and Post-screening Sustainability Topics List for 2025

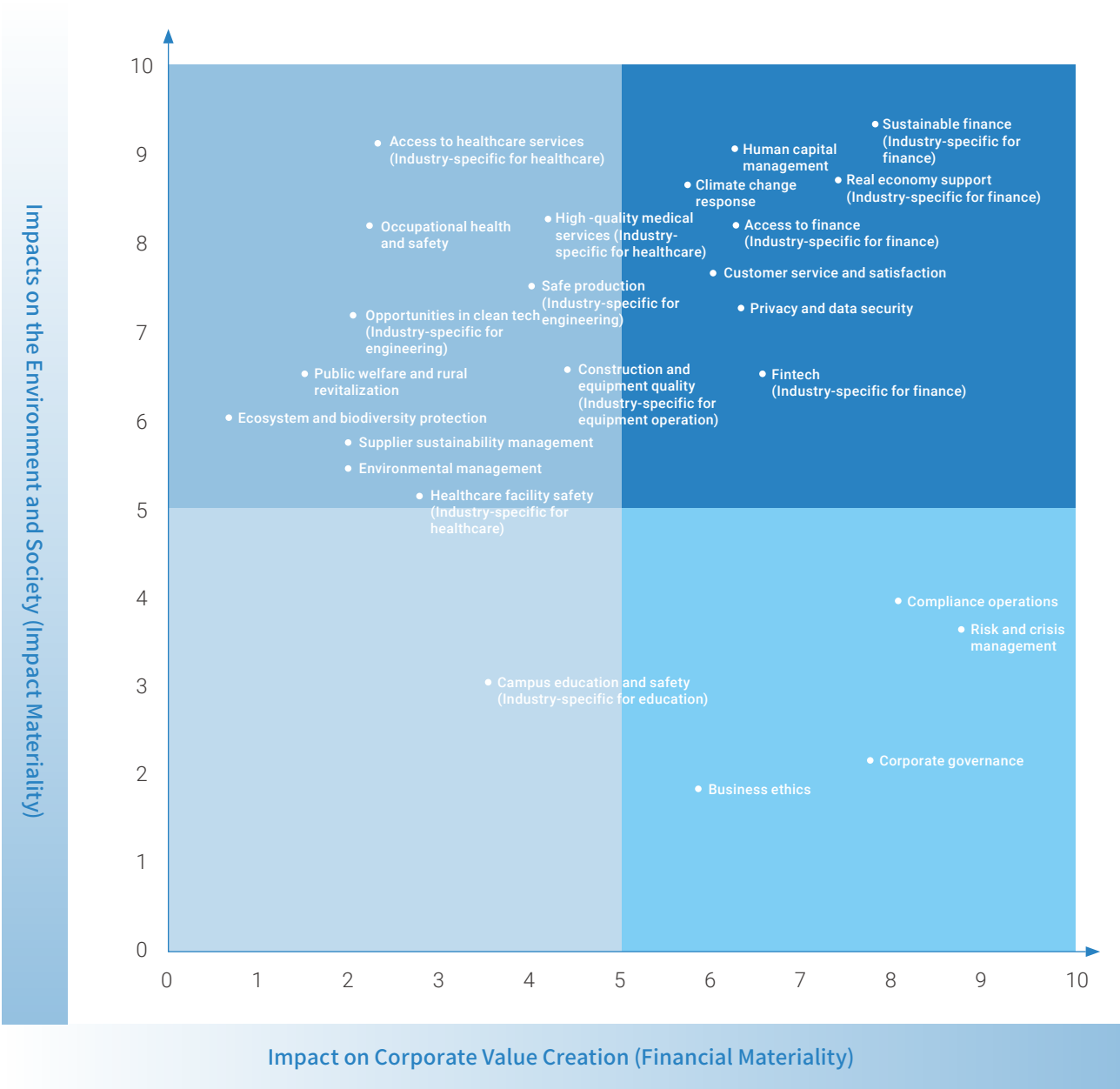
Dimension	Sustainability Topics Pool (29 items)	Post-screening Sustainability Topics List for 2025 (24 items)
Environmental	<ul style="list-style-type: none"> Climate change response Environmental management Ecosystem and biodiversity protection Sustainable finance Opportunities in clean tech Environmental assessment of collateral 	<ul style="list-style-type: none"> Climate change response Environmental management Ecosystem and biodiversity protection Sustainable finance Opportunities in clean tech
Social	<ul style="list-style-type: none"> Human capital management Occupational health and safety Diversified products and services Customer service and satisfaction Privacy and data security Supplier sustainability management Public welfare and rural revitalization Fintech Real economy support Access to finance Construction and equipment quality Safe production High-quality medical services Healthcare facility safety Access to healthcare services Campus education and safety 	<ul style="list-style-type: none"> Human capital management Occupational health and safety Customer service and satisfaction Privacy and data security Supplier sustainability management Public welfare and rural revitalization Fintech Real economy support Access to finance Construction and equipment quality Safe production High-quality medical services Healthcare facility safety Access to healthcare services Campus education and safety

Dimension	Sustainability Topics Pool (29 items)	Post-screening Sustainability Topics List for 2025 (24 items)
Governance	Corporate governance Compliance operations Risk and crisis management Business ethics Economic performance Stakeholders communication Tax governance	Corporate governance Compliance operations Risk and crisis management Business ethics

Key Changes in Far East Horizon's 2025 Material Topics

Material Topics in 2025	Material Topics in 2024	Change	Reason for Change
Climate change response	Climate change mitigation and adaptation	Modified topic name	Topic renamed to enhance comparability with industry peers.
Human capital management	Human capital development; employee rights and benefits	Topics merged	Related topics merged and renamed to reflect the Company's internal management model.
Healthcare facility safety	Medical care safety	Modified topic name	
Campus education and safety	High-quality educational services, campus safety	Topics merged	

Far East Horizon's 2025 Materiality Matrix



Note: For a detailed discussion on the impacts, risks, opportunities, and corresponding SDGs of topics with a high "Impact on Corporate Value Creation", refer to the section "Sustainability Philosophy and Strategy".

3. LEADING SUSTAINABILITY, ENVISIONING THE FUTURE

3.1 ESG Governance Arrangements

Comprehensive ESG management is the cornerstone for the Group and its stakeholders to achieve sustainability targets together. In 2021, Far East Horizon set up the Environmental, Social and Governance (ESG) Committee (“ESG Committee”) under the Board of Directors, formulated the [Working Rules of the Environmental, Social and Governance Committee of the Board of Directors](#) and the [Working Regulations and Plan of the ESG Task Force](#). Since then, it has continuously developed and improved the ESG governance structure in a top-down manner to provide organisational support for the sustainability management of the Group.

ESG Governance Structure of Far East Horizon



Board of Directors

- Assesses and defines the Group’s sustainability and ESG-related risks and opportunities.
- Approves sustainability and ESG policies, strategies, priorities and targets, as well as disclosures including the Sustainability & ESG Report.
- Supervises the building of sustainability and ESG risk management and internal monitoring systems.



ESG Committee under the Board of Directors

- Guide, review and formulate the Company’s sustainability and ESG management approach, strategies, principles and vision, ensuring they remain current, fit for purpose and compliant with applicable laws and regulatory requirements;
- Oversee the establishment and implementation of the Company’s sustainability and ESG targets, including: setting sustainability and ESG management performance targets; reviewing progress towards achieving targets and providing recommendations on actions required;
- Monitor external sustainability and ESG trends and report to the Board on material trends that may affect the Company’s sustainability and ESG approach, strategies and targets;
- Guide and review the identification and prioritisation of the Group’s material sustainability and ESG topics;
- Review the annual Sustainability & ESG Report and other sustainability and ESG-related disclosures, and make recommendations to the Board for approval;
- Identifies sustainability and ESG risks and opportunities relating to the Company, assesses the impacts of such risks or opportunities on the Group, and gives suggestions to the Board of Directors on how to respond to such risks or opportunities; and
- Other responsibilities delegated by the Board of Directors.



ESG Task Force

- Proposes and recommends sustainability and ESG guidelines and practices for the Group, and follows up on sustainability and ESG performance.
- Identifies sustainability and ESG risks and comprehensively implements the Company’s sustainability and ESG actions.
- Prepares the Sustainability & ESG Report.

In 2025, the Board of Directors of the Company fully performed its responsibilities for reviewing, deciding and supervising ESG matters. It held four periodic meetings, during which it listened to reports on the progress of the Group's ESG matters. The Board of Directors guided and supervised the Group's ESG work, and followed up on the implementation of the Company's ESG strategy by reviewing the *Monthly Report of the Board of Directors* on a monthly basis.

As of the end of 2025, the ESG Committee under the Board of Directors was comprised of three directors and was chaired by an independent non-executive director. In 2025, with the authorisation of the Board of Directors, the ESG Committee assisted and supported the Board of Directors in performing its ESG management responsibilities, effectively driving the implementation of ESG management and actively boosting the Group's reputation in ESG actions. The ESG Task Force, led by the Company's Executive Director and Chief Financial Officer ("CFO"), continued to advance ESG-related work, regularly met with relevant internal departments to discuss ESG plans and their implementation, and reported to the Board of Directors on the progress of ESG work through the *Monthly Report of the Board of Directors*.

Far East Horizon's Key ESG Work in 2025

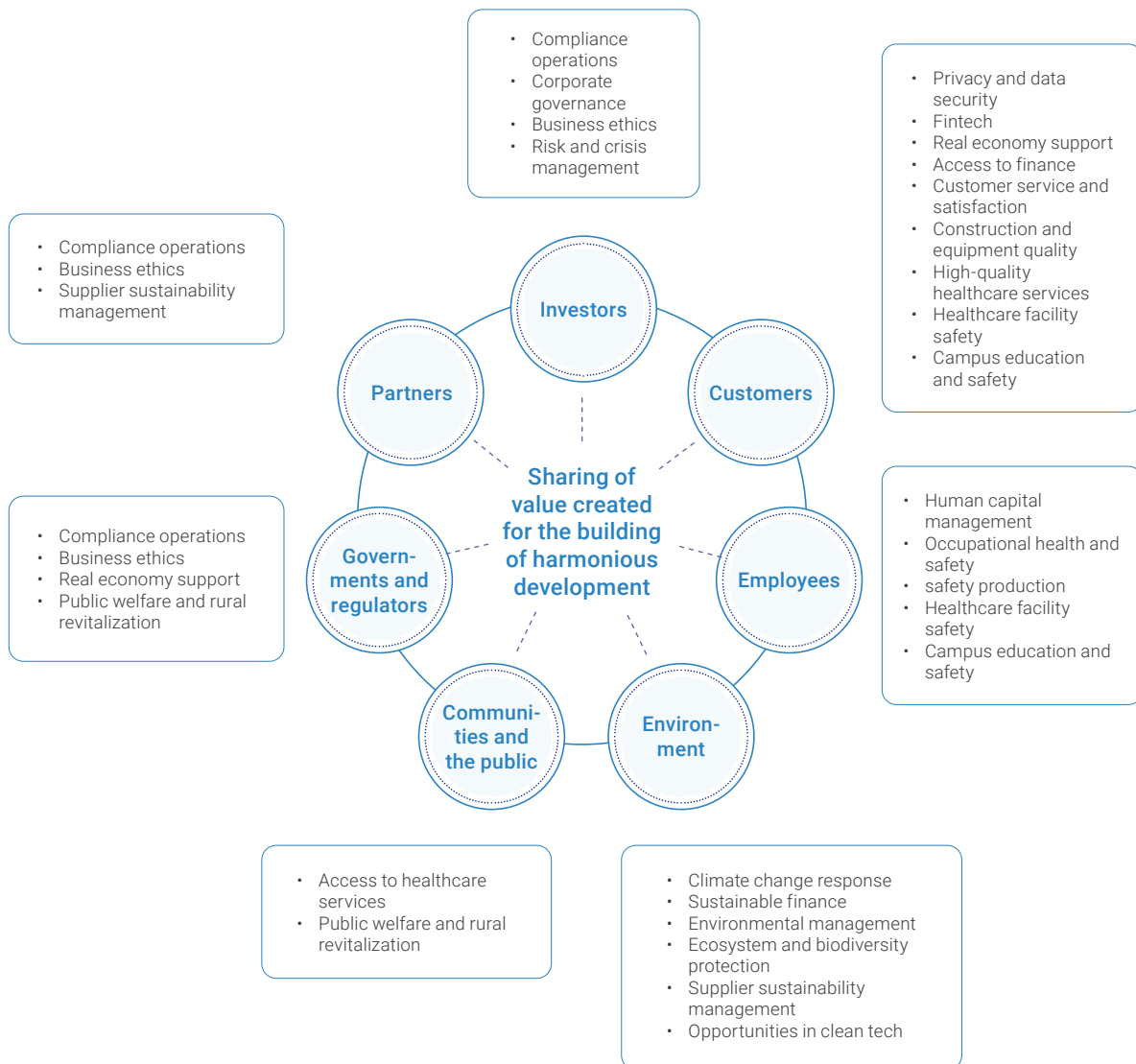
- Continued to advance ESG digitalization, formally launching the ESG digital management system and conducting dedicated training.
- Reported to the Board of Directors on ESG work performance and business developments at various stages, covering key topics including climate change, sustainable finance and human capital management; continuously enhanced the Board's awareness and capacity to discharge ESG management responsibilities through the interpretation of regulatory developments and review of practical work.
- Completed CDP questionnaire submissions on climate change, water security and forests, achieving a B rating across all three.
- Science-based targets formally validated by the Science Based Targets initiative (SBTi).
- Formally signed the United Nations Principles for Responsible Investment (PRI) in the capacity of an "investment manager".

3.2 Sustainability Philosophy and Strategy

While constantly innovating in and expanding “Finance + Industry” integrated operation services, Far East Horizon has upheld the sustainability philosophy of “sharing of value created for the building of harmonious development” and has been committed to becoming an industry pioneer and advocate of sustainability.



The Group has focused on the key concerns of its seven key stakeholders, namely, investors, customers, employees, the environment, communities and the public, governments and regulators, and partners, and worked with them to promote the healthy, sustained, stable and harmonious development of the industrial economy and the whole society and lead a sustainable future.






Sustainability Model of Far East Horizon







The Group has conducted an in-depth analysis and assessment of the impacts, risks, and opportunities associated with material topics. For topics of materiality in terms of “the impact on value creation for the Company”, management strategies have been formulated and targeted management actions implemented. This Report discloses sustainability-related practices in topics with financial materiality in line with the International Sustainability Standards Board (ISSB)’s four-element framework of “Governance, Strategy, Risk Management, and Metrics and Targets”, ensuring transparency and accountability. With the exception of the topic of “climate change response” and “ecosystem and biodiversity protection”, the content of the “Strategy” element for each topic with financial materiality is presented in the table below, while the “Governance” “Risk Management” and “Metrics and Targets” elements are presented in their corresponding section.

Far East Horizon’s Analysis of Impacts, Risks, and Opportunities of Topics with Financial Materiality in 2025, and Management Strategies

Material Topic	Impacted Process (es)	SDGs Aligned	Main Types of Risks and Opportunities	Time Horizon ¹	Expected Financial Impact	Management Strategy
Climate change response	Own operations Downstream value chain		Physical risk, legal and compliance risk, technology risk, market risk, and reputational risk Product and service opportunity, market opportunity, and reputational opportunity	Short, medium, and long term	For details, please refer to the Climate Change Response subsection.	
Sustainable finance (Industry-specific for Finance)	Downstream value chain	  	Product and service opportunity, and market opportunity	Short, medium, and long term	Operating income ↑ Financing costs ↓	<ul style="list-style-type: none"> Ensure ESG factors are fully considered in various financing activities to raise funds through financial instruments and invest these funds in projects that align with the UN SDGs and social responsibility standards, supporting projects and enterprises with sustainable development potential. Promote the incorporation of ESG assessments in investment decision-making processes, identify and prioritise investments in enterprises and projects with outstanding environmental and social responsibility performance, and direct capital flow towards sustainable development.
Human capital management	Own operations		Compliance risk, talent loss risk	Short, medium, and long term	Compliance costs ↑	<ul style="list-style-type: none"> Strictly comply with domestic and international labour standards and compliance requirements, ensure employees’ lawful rights and interests, and foster a fair, inclusive, and non-discriminatory workplace environment. Attract versatile talent broadly through precise recruitment mechanisms and diversified channels, and continuously strengthen the talent pipeline through dedicated programmes such as the “Sword Casting Initiative”.
			Product and service opportunity	Short, medium, and long term	Operating income ↑	<ul style="list-style-type: none"> Develop a tiered talent development system, providing employees with continuous growth pathways through diverse formats; whilst stimulating organisational vitality through scientifically grounded performance management, competitive remuneration incentives and transparent promotion mechanisms. Uphold the “one family” culture; enhance employee sense of belonging and satisfaction through housing support, physical and mental health services and democratic communication channels, achieving the concurrent development of both individuals and the organisation.

Material Topic	Impacted Process (es)	SDGs Aligned	Main Types of Risks and Opportunities	Time Horizon ¹	Expected Financial Impact	Management Strategy
Customer service and satisfaction	Own operations		Market opportunity, and reputational opportunity	Short, medium, and long term	Operating income ↑	<ul style="list-style-type: none"> Uphold a "customer-centric" service philosophy, be demand-oriented, honour customer service commitments, and deliver professional and customised services to meet customer demands; continuously improve service quality and efficiency, drive service innovation and diversification, enhance customer experience and satisfaction, and help increase customer value.
Privacy and data security	Own operations Downstream value chain		Legal and compliance risk, and reputational risk	Medium and long term	Compliance costs ↑ Operating income ↓	<ul style="list-style-type: none"> Adhere to the principle that "information security is everyone's responsibility", with information security and data privacy protection as the foundation. Through system optimisation and Group-wide management, a robust line of defence in digital security will be established to ensure compliance support for stable business development.
Fintech (Industry-specific for Finance)	Own operations		Product and service opportunity, and market opportunity	Short, medium, and long term	Operating income ↑ Operating costs ↓	<ul style="list-style-type: none"> Adhere to the core of "strategic guidance, user-centred approach, business and management integration", improve the information technology operations system, and promote the digital and intelligent transformation of functional management and business systems; be committed to building an intelligent and data-driven financial services ecosystem.
Access to finance (Industry-specific for Finance)	Own operations Downstream value chain	 	Product and service opportunity, and market opportunity	Short, medium, and long term	Operating income ↑	<ul style="list-style-type: none"> Uphold the "one family" culture; enhance employee sense of belonging and satisfaction through housing support, physical and mental health services and democratic communication channels, achieving the concurrent development of both individuals and the organisation. Leveraging technology-driven approaches and an ecosystem-based layout, strengthen the capacity for precise matching of capital with industrial demand, and advance financial services towards broader coverage, greater efficiency and lower costs. Create a regionalised and scenario-based efficient financing service network to expand the scale of inclusive finance and promote collaborative development across industrial chains and balanced regional economic growth.
Real economy support (Industry-specific for Finance)	Downstream value chain		Product and service opportunity, and market opportunity	Short, medium, and long term	Operating income ↑	<ul style="list-style-type: none"> Implement the national strategy of "serving the real economy"; grounded in people's livelihoods and committed to the real sector, provide customised financial services from an industrial perspective on the one hand, and directly empower livelihood infrastructure and manufacturing through industrial services such as equipment operations on the other. With serving the real economy as the soul and innovative practice as the body, articulate the "Far East Horizon model" of a "Finance + Industry" enterprise serving the real economy, and support the development of the real economy and specialised, sophisticated, distinctive and innovative enterprises.

Material Topic	Impacted Process (es)	SDGs Aligned	Main Types of Risks and Opportunities	Time Horizon ¹	Expected Financial Impact	Management Strategy
Corporate governance	Own operations		Legal and compliance risk, and reputational risk	Medium and long term	Operating income ↓ Financing costs ↑	<ul style="list-style-type: none"> Take shareholder trust as a responsibility, continuously improve governance structures, enhance the duty performance efficiency of governance bodies, and maximise and balance the interests of all parties.
Compliance operations	Own operations		Legal and compliance risk	Medium and long term	Compliance costs ↑	<ul style="list-style-type: none"> Adhere to compliance, closely track legal and regulatory trends, promptly interpret major laws, regulations, and regulatory policies, actively implement the non-on-site and on-site inspection requirements of regulatory authorities, and ensure business operations and internal management comply with regulations. Build a comprehensive internal management mechanism to ensure strict adherence to relevant laws and regulations whilst effectively using legal means to protect the Company's legal rights.
Risk and crisis management	Own operations		Credit risk, operational risk, liquidity risk, etc.	Medium and long term	Operating costs ↑ Operating income ↓	<ul style="list-style-type: none"> Uphold the "comprehensive, process-oriented, multi-angle, and continuous" risk control philosophy, continuously foster a prudent and stable risk management culture, adjust management strategies as needed, and ensure the rationality, scientific nature, and effectiveness of risk management.
Business ethics	Own operations Downstream value chain	 	Legal and compliance risk, and reputational risk	Medium and long term	Compliance costs ↑ Operating income ↓	<ul style="list-style-type: none"> Strictly enforce anti-corruption policies, comply with business ethics, and foster a culture of integrity and transparency, thereby driving the sustainable and stable development of the Company.

Note 1: Except for the topic of Climate change response, the time horizon is defined as: Short term (within 1 year [inclusive]), medium term (1 to 5 years [inclusive]), and long term (more than 5 years).

ENVIRONMENTAL





ENVIRONMENTAL

GREEN TRANSITION AND NATURE INTEGRATION

Material topics addressed

Climate change response*

Sustainable finance*

Environmental management

Ecosystem and biodiversity protection

The UN SDGs aligned

Note: Topics marked with * are financial/double materiality topics covered in this chapter.






4.1 Climate Change Response*

In 2025, China announced a new round of Nationally Determined Contribution (NDC) targets, deploying policies and actions across four dimensions, the legal and institutional framework for climate change, greenhouse gas emissions control and reduction, climate change adaptation, and strengthening support mechanisms, and systematically advancing the implementation of a dual-control system covering both total greenhouse gas emissions and emissions intensity. Far East Horizon has actively responded to the national strategic call and identified and actively responded to the potential risks and opportunities of climate change on the Company's operations according to the *International Financial Reporting Standard Climate-related Disclosures (IFRS S2)* of the International Sustainability Standards Board (ISSB) and Part D of the HKEX's *Environmental, Social and Governance Reporting Code: Climate-related Disclosure Requirements*.

Governance

Far East Horizon has defined climate change management-related responsibilities in the *Working Rules of the Environmental, Social, and Governance Committee of the Board of Directors* and the *Working Regulations and Plan of the ESG Task Force*, included them into the ESG governance framework, formed a top-down climate change governance structure, and systematically pushed for routine and standard operation of climate governance and management.

Climate Change Governance Structure of Far East Horizon

Governance level	 Board of Directors	<ul style="list-style-type: none"> The Board of Directors is responsible for reviewing and approving climate-related work of the Group and fully supervising climate-related risks and opportunities. The Board of Directors convenes regular meetings to discuss climate change-related matters, review policy developments, the identification and management of climate-related risks and opportunities, and progress against carbon reduction targets, ensuring that carbon reduction work proceeds in an orderly manner.
	 ESG Committee under the Board of Directors	<ul style="list-style-type: none"> The Board of Directors has set up the ESG Committee chaired by Independent Non-executive Director and authorized the ESG Committee to study and give suggestions on the climate-related guidelines and practices of the Group. The ESG Committee reports important climate-related topics to the Board of Directors through reporting from time to time and committee meetings based on the progress and key nodes of climate-related work.
Management level	 ESG Task Force	<ul style="list-style-type: none"> It is composed of multiple functional departments of the Group. The Executive Director and CFO serves as head, and Vice President of the Company as deputy head to provide guidance on relevant work. It assists the ESG Committee in fulfilling decision-making and supervision responsibilities of climate-related work, coordinates the business lines of the Group in pushing for management of climate-related work of the Company and carrying out specific work. It reports the achievements and progress of climate-related work to the Board of Directors and the ESG Committee on a quarterly basis.
Execution level	<ul style="list-style-type: none"> The Investor Relations Department, the Strategic Centre, the Human Resources Department and the Treasury Centre are the core of the execution level. Core personnel of relevant departments and subsidiaries provide support to jointly advance execution of climate-related work. 	

The Group has established a climate change incentive mechanism, incorporating the achievement of and progress against climate-related targets into the performance bonus assessment system for Group Vice Presidents. In accordance with the *Carbon Target Planning of the Company* and the science-based targets, the Group decomposes annual carbon targets into two categories of assessment metrics, absolute emissions and emissions intensity, with approximately 15% of financial incentives directly linked to the achievement of climate targets.

Strategy

Far East Horizon has strengthened the development of its climate change response framework, actively identified and assessed the risks and opportunities brought by climate change, and formulated and advanced climate risk and opportunity management strategies on that basis.

In 2023, the Group adopted quantitative assessment methodologies for climate-related risks and opportunities for the first time. Through in-depth identification and scenario analysis of key climate risks and opportunities, it conducted a scientific assessment of the potential impacts of climate change on the Company's operational activities. In 2025, the Company reviewed the risk assessment results to provide a robust basis for the effective management and climate change response.

In terms of physical risks, based on the Shared Socioeconomic Pathways (SSPs) described in the Sixth Assessment Report (AR6) of the Intergovernmental Panel on Climate Change (IPCC), the Group selected the SSP1-2.6 low emissions scenario and the SSP5-8.5 very high emissions scenario, systematically assessed the potential impacts of physical risks on the Group's nine types of real asset operations in different stages (baseline period, middle term through 2030, and long term through 2050), and actively formulated and optimized response measures, to make sure it can effectively resist physical risks under different climate scenarios.

Based on the results of the scenario analysis, among all physical risks assessed, the Group's evaluated assets face four primary risks: water stress and drought, flooding, tropical cyclones and extreme heat. Of all assets subject to assessment, three assets are exposed to relatively high risk, comprising two manufacturing bases and one hospital.



Analysis of Physical Risks and Response of Far East Horizon

Risk Type	Scope of Influence	Potential Impact	Risk Level (SSP1-2.6)			Risk Level (SSP5-8.5)		Response
			Baseline	2030	2050	2030	2050	
Extreme high temperature	Own operations	<ul style="list-style-type: none"> High temperature causes the refrigeration needs of assets to increase, resulting in an increase in operating expenses. Extreme high temperature may increase the risk of heat stroke among outdoor workers. Extreme high temperature may cause widespread power rationing or black-out, or cause assets to halt partial operation, thus affecting the operating efficiency and revenue of assets. 	Very low	Medium	Medium	Medium	High	<ul style="list-style-type: none"> Taking into account the influence factors of climate resilience (geographical and environmental factors such as flood and terrain) in the design and construction process of assets and the site selection process and improving the capacity of facilities and equipment in withstanding extreme weather, to reduce the impacts of extreme weather. Formulate and continuously revise and improve emergency response plans for extreme weather events (flooding, tropical cyclones and extreme heat); conduct regular emergency drills for extreme weather to strengthen emergency response capabilities. Building and periodically maintaining facilities and equipment used to respond to extreme weather (e.g., drainage system, windows, doors, etc.) and protecting important equipment from being affected or damaged by extreme weather; making proper preparations before a typhoon lands, to protect important equipment from being directly damaged by strong winds. Equipping materials to respond to extreme weather, e.g., back-up power and flood control sandbags. Improving the heat dissipation potential of buildings and equipment efficiency, building and periodically maintaining back-up power to ensure its reliability, and formulating and implementing strict guidelines for outdoor work in heat.
Flood (Including river flood, coastal flood and extreme precipitation)		<ul style="list-style-type: none"> Flood may damage the buildings, infrastructure, equipment, etc. of assets, thus adding extra maintenance expenditures, and may also cause the book value of assets to decrease. Flood may affect important equipment of assets and damage the main channels connecting assets, thus affecting the operation and revenue of assets. 	Medium	Medium	Medium	Medium	Medium	
Tropical cyclone		<ul style="list-style-type: none"> The strong winds, rainstorms and storm tides of a tropical cyclone may damage buildings, infrastructure, equipment, etc., thus adding extra maintenance expenditures, and may also cause the value of assets to decrease. During landing, a tropical cyclone may affect important equipment of assets and cause them to halt operation, thus affecting revenue. 	Low	Medium	Medium	Medium	Medium	

Risk Type	Scope of Influence	Potential Impact	Risk Level (SSP1-2.6)			Risk Level (SSP5-8.5)		Response
			Baseline	2030	2050	2030	2050	
Water pressure and drought	Own operations	<ul style="list-style-type: none"> • Prolonged drought can cause available water to reduce and water price to rise, leading to an increase in operating cost. • Severe water shortage may affect refrigeration and the operating efficiency of production equipment, thus causing revenue to decline. 	Low	Very high	Very high	Very high	Very high	<ul style="list-style-type: none"> • Increasing the water circulation ratio and back-up sources of water, and in the event of water shortage, considering setting alternative sources of water and back-up water facilities (e.g., emergency watercarts and impounding reservoirs). • Strengthening facility management capability and using water-saving equipment, rain-water recycling system, etc. to reduce water consumption and improve water utilization.
Extreme low temperature		<ul style="list-style-type: none"> • Low temperature causes the heating needs of assets to increase, resulting in an increase in operating expenses. • Extreme low temperature may increase the health risk of outdoor workers. 	Very high	High	High	Medium	Medium	<ul style="list-style-type: none"> • Currently, the physical risk assessment results show that the risk of climate disasters such as landslides induced by precipitation and wildfires caused by extreme low temperature and extreme precipitation is relatively low. The Group will continue to monitor the foregoing risk and promptly adjust response strategies.
Landslides Induced by Precipitation		<ul style="list-style-type: none"> • Landslides induced by precipitation may damage buildings, infrastructure, and equipment of assets, leading to additional repair costs and potential depreciation of asset value. • Landslides may pose a threat to the safety of personnel at and near asset locations, potentially resulting in temporary suspension of operations and a decline in revenue. 	Very low	Very low	Very low	Very low	Very low	
Wildfire		<ul style="list-style-type: none"> • Wildfires may damage buildings, infrastructure, equipment, etc., thus adding extra maintenance expenditures, and may also cause the value of assets to decrease. • Wildfires may pose a threat to the safety of the places where assets are located and the people nearby and affect the normal operation of assets, thus causing revenue to decrease. 	Very low	Low	Low	Low	Medium	

In terms of transition risks and opportunities, the Group conducted a qualitative assessment of the risks and opportunities relating to its own operations and value chain. Based on the assessment results, after taking into comprehensive consideration of the total assets of the five major industries and carbon markets involved in the financial business of the Group, national and local low carbon policies, transition finance, etc., the Group conducted a quantitative assessment of transition risks and opportunities in the short term (2025), medium term (2030), and long term (2040 and 2050) according to the Current Policies and Net Zero 2050 scenarios of the Central Banks and Supervisors Network for Greening the Financial System (NGFS).

The assessment results indicate that Far East Horizon's financial business currently faces relatively significant transition risks. Specifically, in the process of low-carbon transition, China's economic development model, energy structure, technological pathways, and production and consumption patterns will all undergo profound changes. The financial condition of related enterprises will change to varying degrees, affecting their solvency and leading to higher default rates in the future.

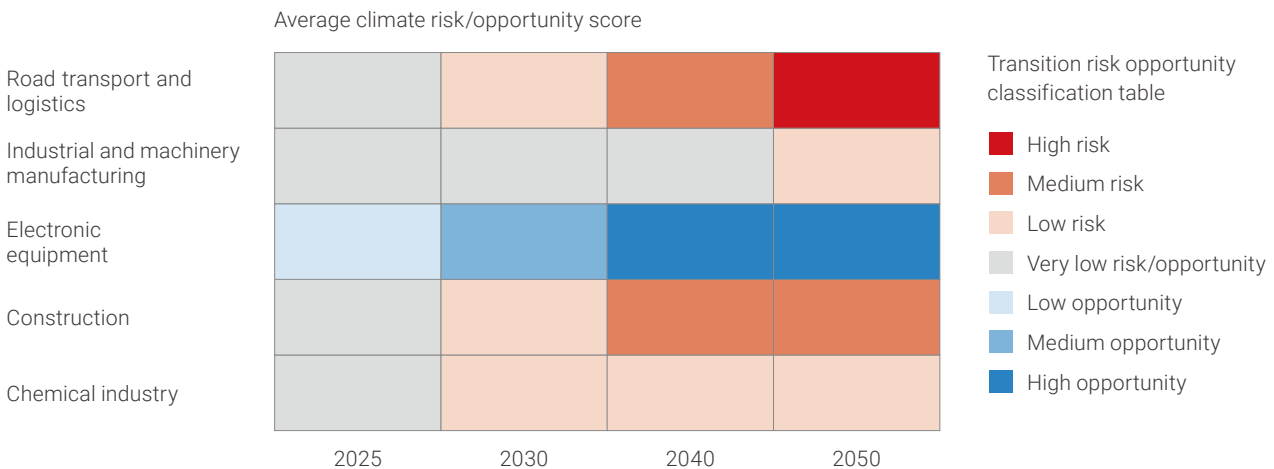
Analysis of Transition Risks and Opportunities and Response of Far East Horizon

Types of Risks and Opportunities		Scope of Influence		Potential Impact	Response
Transition risks	Policies & Legal regulations	Financial services	Investment and financing	<p>Due to changes in policies and laws and regulations, profits decrease and/or credit risk of customers in certain high-carbon industries rises, resulting in impairment of assets of Far East Horizon. The financial impacts on customers are mainly reflected in:</p> <ul style="list-style-type: none"> • write-offs, asset impairment, or early retirement of existing assets due to policy changes; • increased costs and/or reduced demand for products and services resulting from fines or judgments; • Reduced cash flows to customers who rely on subsidies due to cancellation of government subsidy policy. 	Continuously monitoring national and local policies, promptly providing relevant information to business departments, and including climate change factors into the considerations in due diligence and investment decision-making.
	Technology	Financial services	Investment and financing	<p>Due to transition, extra cost is needed, or because transition is not in time, operating income and profit of customers in high-carbon industries decrease and because of that, their stock prices decline or credit risk rises, resulting in impairment of assets of the Group. The impacts on customers are mainly reflected in:</p> <ul style="list-style-type: none"> • Cancellation or early retirement of existing assets due to emergence of low-carbon technology; • Decreased demand for products and services in the low-carbon transition process; • Increased R&D expenditures in new technology and alternative technology; • Increased costs for applying and implementing new practices and new procedures. 	Formulating the <i>List of Industries Classified for Access</i> , where high risk industries such as carbon-intensive industries are listed as "restricted" or "compressed" to scale down the business conducted with them.
		Equipment operation	Own operations	<p>Against the backdrop of addressing climate change and advancing low carbon transition, low carbon technology is gradually replacing traditional technology and equipment with high carbon emissions. CD-HORIZON may gradually eliminate technology and equipment with high emissions and purchase new low carbon technology and equipment, which may result in increased capital expenditures and operating costs.</p>	Continuously paying attention to new equipment and new technology and promptly replacing diesel equipment.
	Market	Financial services	Investment and financing	<p>Due to low-carbon transition, market of customers in certain high-carbon industries shrinks and operating income decreases, and their credit risk rises, resulting in impairment of assets.</p>	Formulating the <i>List of Industries Classified for Access</i> , where high risk industries such as carbon-intensive industries are listed as "restricted" or "compressed" to scale down the business conducted with them.
	Reputation	All business lines	Own operations	<p>Institutional investors are paying increasing attention to climate change and environmental issues. If the actual operation of projects is inconsistent with financing commitments, investor concerns about capital security may arise, potentially triggering significant divestment and reducing the Company's investable funds. For example, the negative news (e.g., greenwashing) about the green bonds issued by the Group can affect the Group's reputation.</p>	Enhancing the transparency of climate-related information disclosure of the Group, and disclosing information through <i>Sustainability & ESG Report</i> , CDP questionnaires, the Company's website, official WeChat account, and other channels according to internationally recognized information disclosure framework.

Types of Risks and Opportunities		Scope of Influence		Potential Impact	Response
Transition opportunities	Products and services	Financial services	Own operations	As the market of green finance products continues to expand, more flexible products such as green funds and green trust have emerged to meet customers' specific needs.	Rolling out diverse financial products themed by carbon neutrality and sustainability, mining green existing assets, and issuing green finance products such as green bonds, sustainability-linked bonds.
		Equipment operation		With the rise of frequency of occurrence of climate disasters, the market demand for building of green cities and green urban infrastructure has increased. CDHORIZON currently has a first-mover advantage in equipment holding and sustainable materials.	Continuously paying attention to new equipment and new technology and promptly replacing diesel equipment.
	Market	Financial services	Own operations	With favourable carbon neutrality policies, the financing needs of small and medium-sized energy conservation and environmental protection enterprises will increase and green finance services will become more popular.	Identify new transition financing needs; strengthen the connection between green capital and the green transition of the real economy through green finance business and service innovation. Develop investment and financing policies to guide capital flows into green activities and increase operating revenue.
	Reputation	Equipment operation	Own operations	Overseas markets are more influenced by climate change. Equipment demand and construction engineering demand may increase as the impact of climate change intensifies, which will provide CDHORIZON greater room to increase its overseas market penetration.	Continuously paying attention to new development directions of city construction and supporting the building of green cities.

Based on total asset volume and industry sensitivity, the Group identified five key industries for analysis, chemicals, building and construction, industrial and mechanical manufacturing, electronic equipment, and road transportation and logistics, and selected appropriate transition risk indicators to conduct further quantitative risk assessments. The assessment results are presented in the figure below.

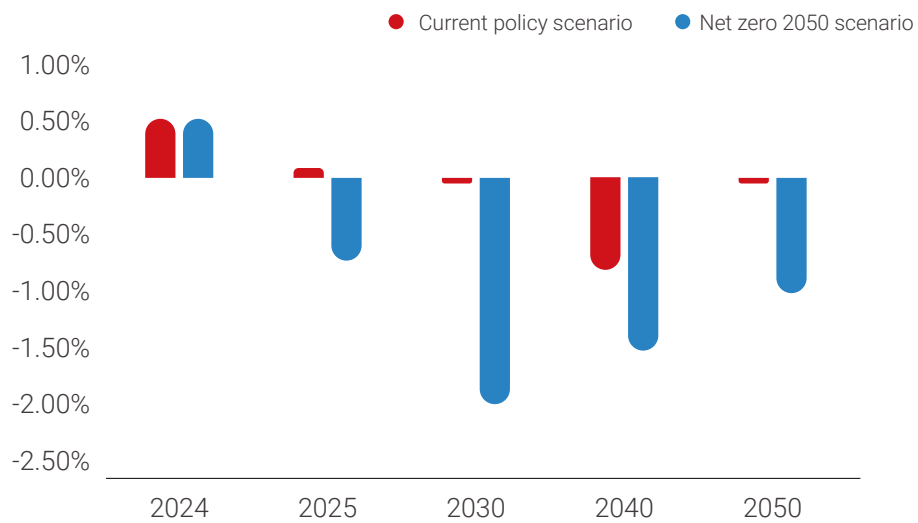
Far East Horizon's Transition Risk Heat Map across Five Key Industries



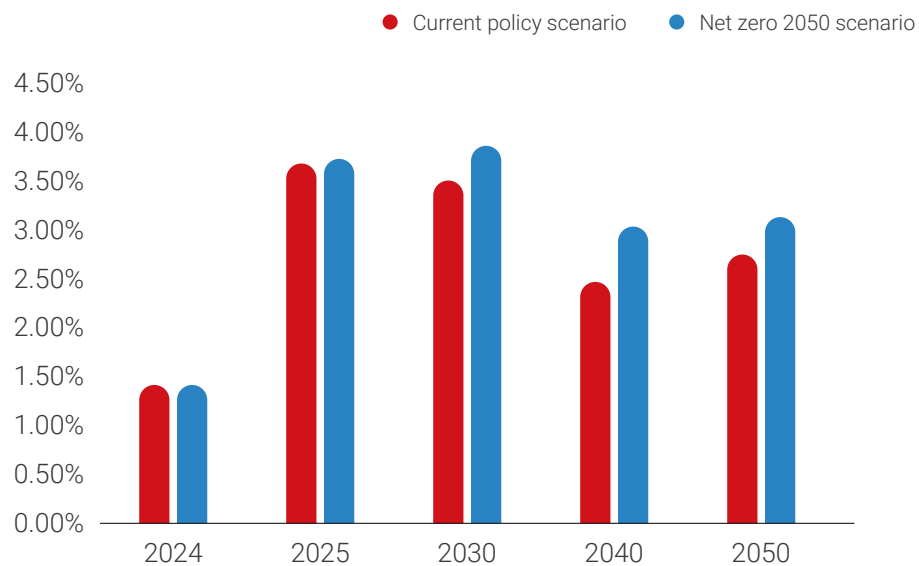
To assess the impact of transition risks on credit risk, the Group, drawing on external regulatory requirements and using scenarios developed by the Network for Greening the Financial System (NGFS), constructed a bottom-up, industry-level transition risk modelling framework. The period from 2025 to 2050 was selected as the time horizon for climate risk quantitative stress testing. The framework measures the financial stress faced by industry customers under climate-related factors such as energy structure adjustments, rising energy prices and additional carbon tax costs, in order to assess the impact of customers' climate risk exposures on the relevant credit portfolio.

Far East Horizon's Climate Stress Testing Results

Average asset impairment rate in the electronic equipment industry



Average asset impairment rate in the machinery manufacturing industry



Risk Management

Far East Horizon continuously identifies, assesses and analyses climate change-related risks and opportunities. Through a well-functioning climate risk management mechanism, Far East Horizon monitors and gives early warnings of internal and external risks, accurately identifies risk features, sources and development trends, follows up on and oversees the implementation of response measures to key risks, and takes targeted measures to promptly prevent, control and defuse climate-related risks in its business and financing activities, giving full play to its role as a financial institution in supporting climate transition.

Climate Change Risk and Opportunity Assessment Procedures of Far East Horizon

Risk identification	Conduct peer benchmarking and gap analysis, and identify a list of climate-related risks and opportunities through interviews with key internal stakeholders.
Risk assessment	Perform scenario analysis to determine the assessment scope and impact level of climate-related risks and opportunities, identifying those that have a significant impact on business strategy and operations.
Risk management	<p>At the operational aspect, develop management measures for key risks and opportunities and evaluate the effectiveness of existing management initiatives.</p> <p>At the business aspect, develop financial impact quantification tools to assess the financial implications of climate risks and opportunities for the Company. This supports risk management and strategic planning at the corporate aspect while ensuring the implementation of measures to mitigate relevant climate risks.</p>
Risk integration	Integrate climate-related risks into the existing risk management system to ensure regular identification and management of climate risks.



Drawing on the identified climate-related risks and opportunities, the Group has systematically developed and is advancing a “Three-action Framework” to comprehensively drive the green transition across the full value chain. In 2025, the Group formally obtained validation from the Science Based Targets initiative (SBTi), becoming the first financial institution on the Chinese Mainland to receive this authoritative certification.

Far East Horizon's Three-Action Framework for Carbon Reduction

Data Governance: Building a governance foundation through data

- Develop a dynamic carbon database to enable visualisation of investment and financing emissions on a single platform.
- Drawing on methodologies including ISO 14064 and the GHG Protocol, develop an in-house AI-powered sustainability management platform, with its carbon inventory system achieving real-time optimisation and iterative updates in practical application scenarios, with the calculation scope gradually expanding to cover the full value chain.
- Based on the Task Force on Climate-related Financial Disclosures (TCFD) and Taskforce on Nature-related Financial Disclosures (TNFD) frameworks, regularly disclose progress on climate and biodiversity risk management.

Green Finance: Irrigating a green future through financial innovation

- In accordance with the *Statement on Coal Investment and Financing* policy, fully cease new coal investments that do not meet eligibility criteria.
- Financing related to renewable energy and low-carbon equipment grows year on year, whilst the proportion of high-carbon assets decreases year on year.

Zero-Carbon Partnership: Connecting to a zero-carbon world through partnerships

- Provide an integrated “Strategy – Technology – Finance” solution covering the full value chain, helping enterprises achieve science-based carbon reduction and sustainable development.

Far East Horizon's 2025 Climate Change Response Initiatives

Aspect	Specific Measures and Outcomes
Carbon Data Management	<ul style="list-style-type: none"> • Reviewed and refined inventory boundaries, adjusted the scope of emissions source identification in accordance with business conditions, and continuously addressed gaps and deficiencies to improve the completeness of data disclosure. • Independently developed and deployed a carbon management system to enable precise accounting of Scope 1 and 2 emissions; established a data evidence chain retention mechanism and implemented a multi-level review process to ensure data traceability and verifiability. • Conducted dedicated carbon data training, strengthened the collection of actual activity data, and advanced automated system calculations to reduce manual errors. • Expanded the scope of Scope 3 third-party assurance from Category 15 only to all categories, enhancing data credibility.
Renewable Energy Project Development	<ul style="list-style-type: none"> • Constructed four new photovoltaic power stations. As at the end of the reporting period, three had been commissioned, with the remaining one expected to commence formal operations in May 2026. • As at the end of the reporting period, a cumulative total of two solar water heating systems and six photovoltaic installations had been completed, with total annual power generation reaching 2,366,481 kWh.

In addition, the Company has actively advanced a range of environmental management initiatives to translate energy conservation and carbon reduction into concrete action. Further details are provided in the “Environmental Management” section of this report.

Metrics and Targets

In response to the *Paris Agreement* and China's dual carbon targets, in 2022 the Board of Directors of Far East Horizon considered and passed a motion on the *Carbon Target Planning of the Company*, which clearly defines the targets of carbon neutrality. These science-based targets were subsequently validated by the Science Based Targets initiative (SBTi) in 2025.

Carbon Neutrality Targets of Far East Horizon

Target Details	Short-term target	Medium-term target	Long-term target
		<ul style="list-style-type: none"> Strive to achieve peak carbon emissions by 2025 Between 2021 and 2025, a linear annual reduction of 2% in GHG emission intensity per unit of revenue (representing an 8% reduction over four years compared with the base year) 	<ul style="list-style-type: none"> Between 2025 and 2030, a linear annual reduction of 4% in GHG emission intensity per unit of revenue (representing an 20% reduction over five years compared with the base year)
Short-term target (target period: 2021-2025)			
Base year	2021		
Base year carbon emissions	183,600 tCO ₂ e		
Base year carbon emissions intensity	5.46 tCO ₂ e/RMB million		
Organizational scope of target coverage	Scope within the consolidated statements of operations determined using the operating control method		
Carbon emissions scope of target coverage	Scope 1 and Scope 2		
Target year	2025		
Target carbon emissions intensity	5.02 tCO ₂ e/RMB million		
2025 progress	GHG emissions intensity per unit of revenue stood at 2.88 tCO₂e/RMB million , representing a reduction of 47.25% compared to 5.46 tCO ₂ e/RMB million in 2021. The short-term target has been successfully achieved.		
Medium- and long-term targets (target period 2025-2050)			
Base year	2025		
Base year carbon emissions	103,100 tCO ₂ e		
Base year carbon emissions intensity	2.88 tCO ₂ e/RMB million		
Organizational scope of target coverage	Scope within the consolidated statements of operations determined using the operating control method		
Carbon emissions scope of target coverage	Scope 1 and Scope 2	Scope 1, Scope 2 and Scope 3	
Target year	2030	2050	
Target carbon emissions intensity	2.30 tCO ₂ e/RMB million	—	

Far East Horizon's Science-Based Targets

Scope 1 & 2 Emission Targets	Scope 3 Financed Emission Targets
Using 2022 as the base year, the Group aims to reduce absolute Scope 1 and 2 emissions by 42.0% by 2030.	By 2030, within the Company's financial leasing and equity investment portfolios: <ul style="list-style-type: none"> Adjust the temperature score of the investment portfolio's Scope 1 and 2 emissions from 3.2°C in 2022 to 2.44°C in 2030. Adjust the temperature score of the investment portfolio's Scope 1, 2, and 3 emissions from 3.2°C in 2022 to 2.56°C in 2030.
*The Group's science-based targets have been validated by the Science Based Targets initiative (SBTi) in 2025.	

To achieve the carbon neutrality targets and science-based targets on schedule, the Group's *Nature-related Policy Statement* is aligned with the *Paris Agreement* and will support Nature-based Solutions (NbS) to mitigate and adapt to climate change. In 2025, the Group continued to implement its climate change response initiatives along the carbon reduction pathway, providing robust support for the achievement of its medium- and long-term carbon neutrality targets.

Far East Horizon's Decarbonization Pathway

<p>Scope 1</p>	<ul style="list-style-type: none"> • Stationary Sources: The Group's emissions primarily stem from the use of natural gas in employee canteens, which will be reduced mainly by replacing gas-powered cooking equipment with electric alternatives. • Mobile Sources: The primary strategy is to reduce reliance on fossil fuels by replacing vehicles and equipment with electric alternatives. For assets that cannot be replaced, emissions will be minimized through the use of biodiesel or by adjusting service models. • Fugitive Sources: Replace air conditioners with units that use environmentally friendly refrigerants. Additionally, improved energy management practices will be implemented to reduce consumption and avoid unnecessary air conditioning usage.
<p>Scope 2</p>	<ul style="list-style-type: none"> • Photovoltaic Power Generation: Where technically feasible, priority will be given to installing solar photovoltaic systems for electricity generation. • Green Energy Procurement: The Group will purchase renewable electricity and steam.
<p>Scope 3</p>	<ul style="list-style-type: none"> • Data Quality and Transparency: Continue to enhance data quality and availability by closely monitoring all publicly available evidence and database providers. Additionally, it will engage with and support companies within its investment portfolio in their greenhouse gas (GHG) inventory assessments and decarbonization processes to gain a better understanding of portfolio emissions and their reduction targets. • Products and Services: Maintain close collaboration with customers, promoting net-zero commitments through three key strategies: financing green and sustainable activities, supporting transition efforts, and phasing out industries with hard-to-abate emissions. Carbon footprint and emission targets will be embedded and prioritized in assessment tools and decision-making processes to facilitate decarbonization.

In 2025, the Group:

- In terms of progress towards its science-based targets, recorded total greenhouse gas emissions (Scope 1 and Scope 2) of 103,060.96 tCO₂e, representing a reduction of 44.65% compared to 186,211.91 tCO₂e in 2022. The science-based targets are progressing steadily.
- In terms of progress towards its carbon neutrality targets, achieved GHG emissions intensity per unit of revenue of 2.88 tCO₂e/RMB million, representing a reduction of 47.25% compared to 5.46 tCO₂e/RMB million in 2021. The short-term carbon neutrality target has been successfully achieved.

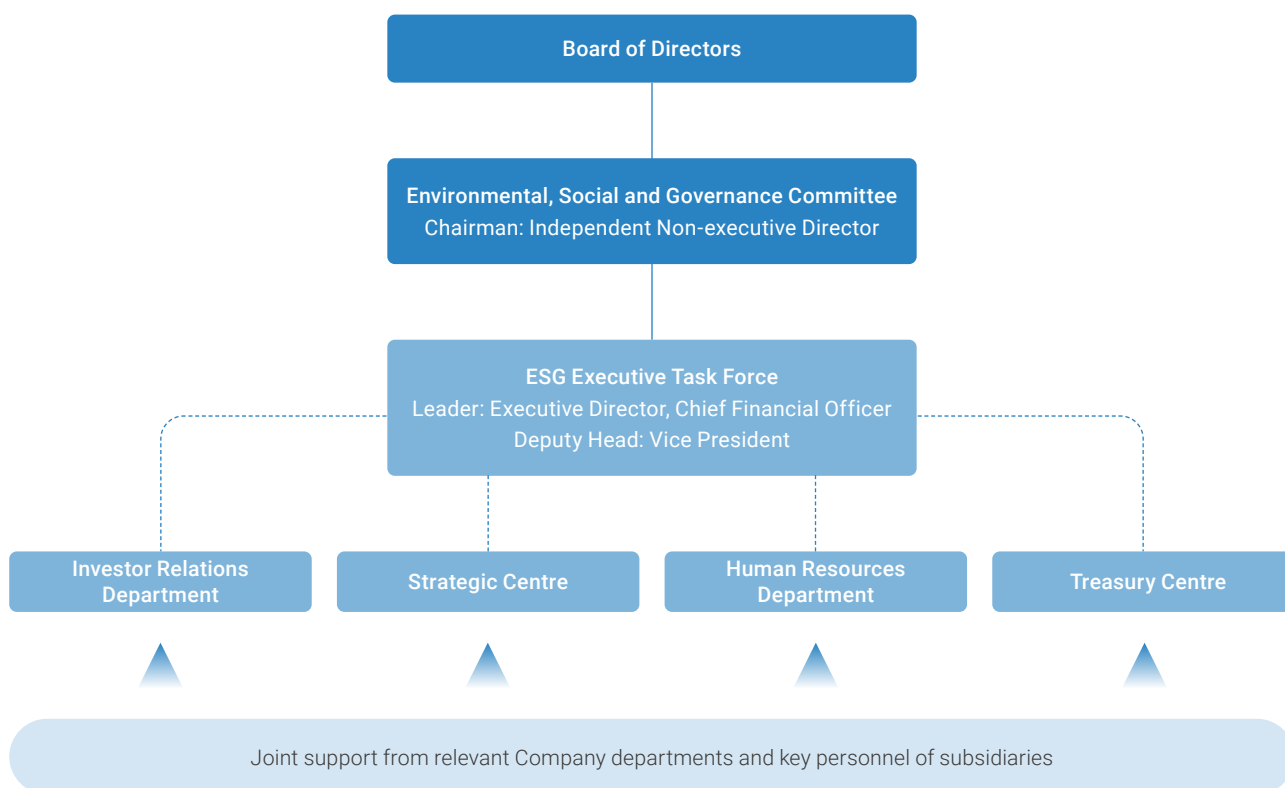
4.2 Ecosystem and Biodiversity Protection

As a diversified conglomerate spanning both financial services and industry, Far East Horizon's business development is inextricably linked to natural capital and ecosystem services. The Group's business activities are not only directly associated with the natural environment, but also indirectly affect the ecological footprint of the upstream and downstream industrial chain through the operational activities of investee enterprises.

Governance

The Group adheres to global initiatives and conventions including the United Nations *2030 Agenda for Sustainable Development*, the *Convention on Biological Diversity (CBD)* and the *Kunming-Montreal Global Biodiversity Framework (GBF)*, as well as national policies and plans including China's *Opinions on Further Strengthening Biodiversity Conservation* and the *China Biodiversity Conservation Strategy and Action Plan (2023–2030)*. The Group has formulated a *Nature-related Policy Statement*, established and improved a nature-related governance framework, and ensured that nature-related factors are genuinely embedded in and effectively implemented within its operational practices. In 2024, Far East Horizon formally became a TNFD Adopter of the Taskforce on Nature-related Financial Disclosures.

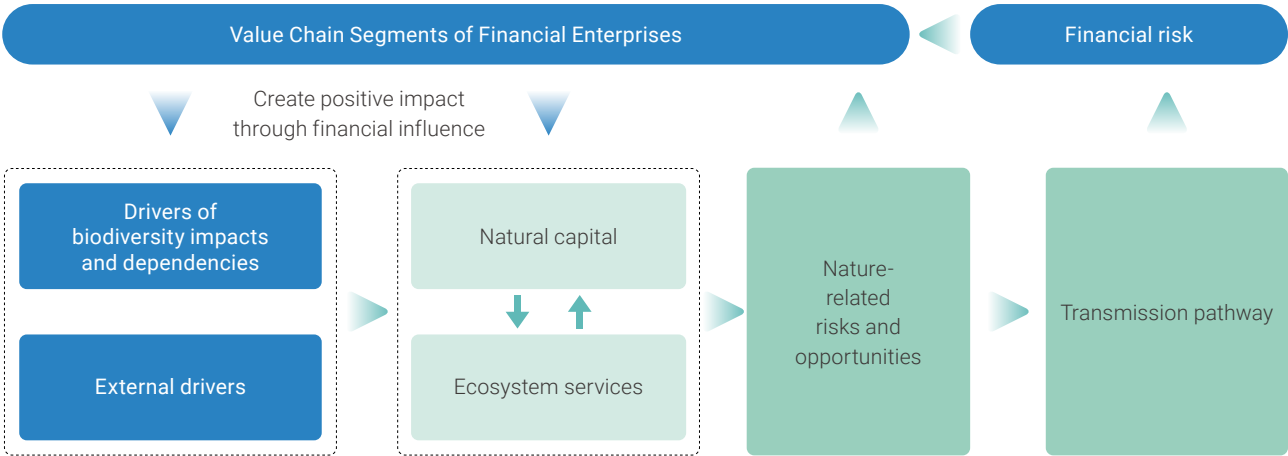
Far East Horizon Natural-related Governance Structure



Strategy

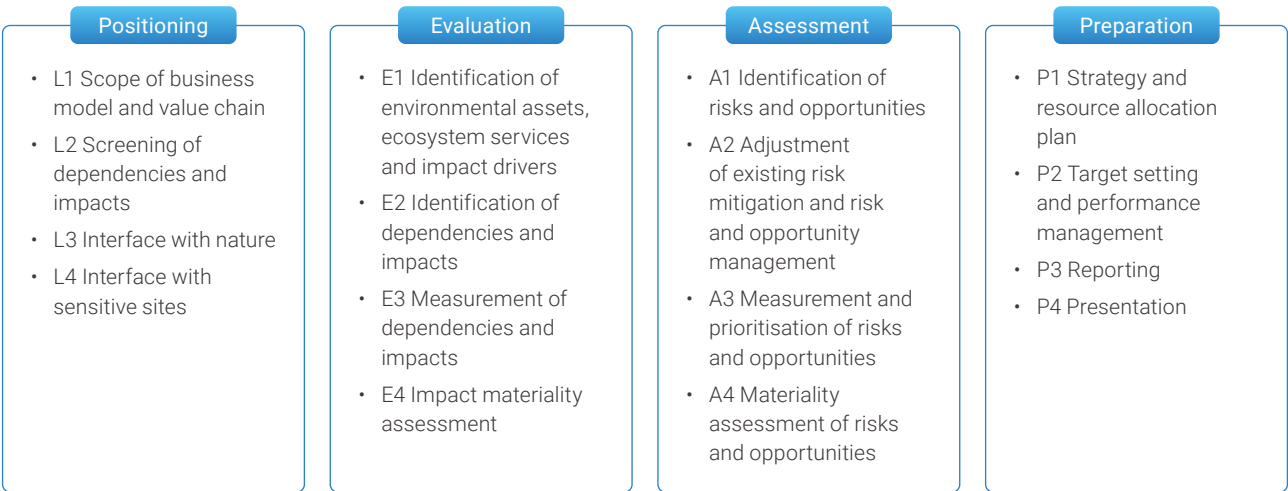
Through a systematic review of the Group's own and its investment and financing portfolio's dependencies on and impacts upon natural capital, the Group proactively identifies nature-related risks and opportunities, continuously strengthens nature resilience, and progressively embeds nature-related factors into business decision-making.

Far East Horizon's Nature Dependency-Impact-Risk-Opportunity Transmission Pathway



The Group applies the TNFD methodology, using the LEAP¹ approach for analysis and assessment, to systematically address the opportunities and challenges that ecosystem and biodiversity present to the Company.

Far East Horizon's LEAP Assessment Process

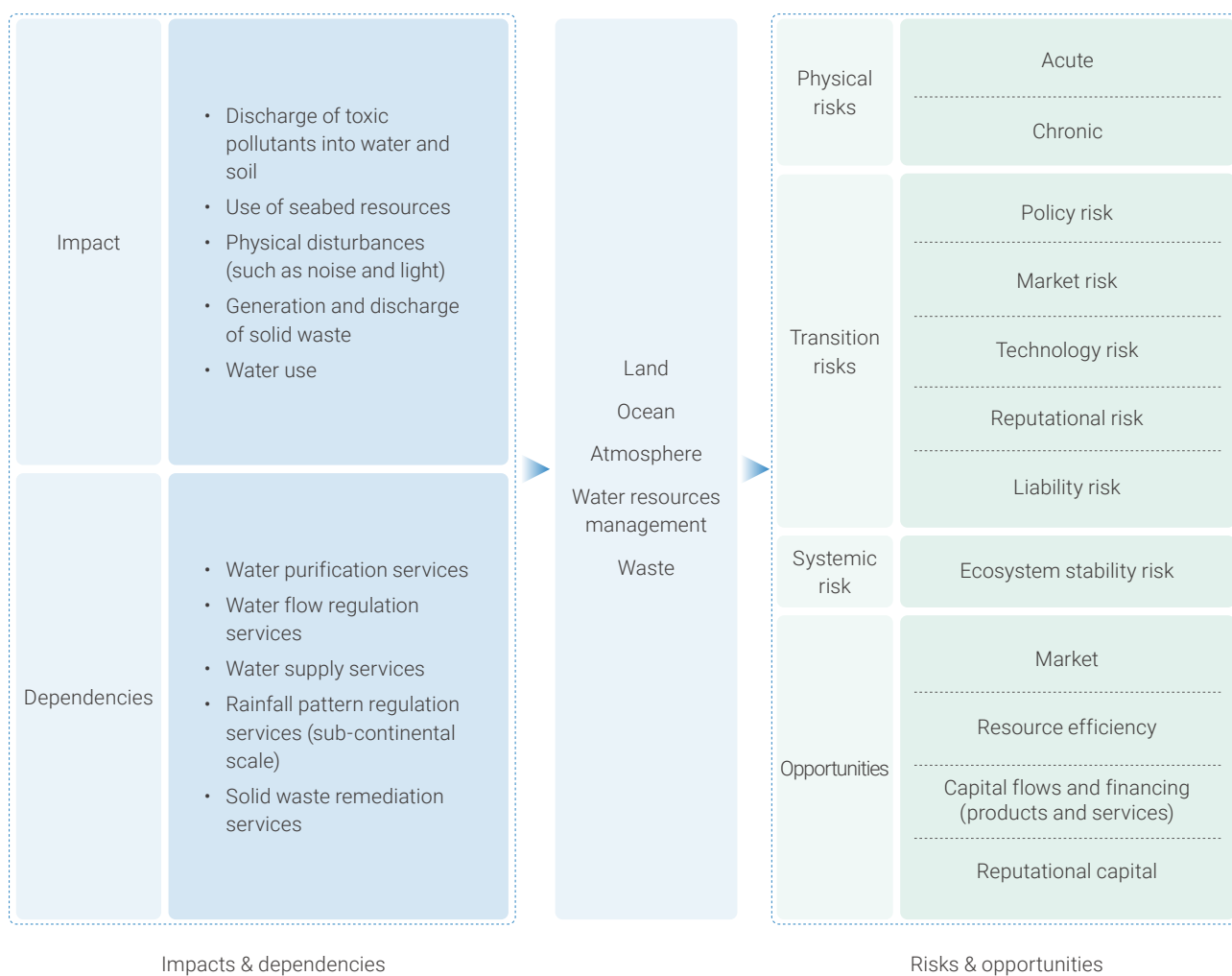


¹LEAP. The LEAP approach (Locate, Evaluate, Assess, Prepare), proposed by the Taskforce on Nature-related Financial Disclosures (TNFD), is a systematic assessment framework designed to help organisations identify and manage nature-related risks and opportunities, and support disclosures in line with the TNFD recommendations.

The Group's investment and financing portfolio spans diversified industries, with its own and partner customers' operational sites distributed across the country, resulting in complex dependencies on and impacts upon nature. Accordingly, the Group conducts industry-level screening, employing the Exploring Natural Capital Opportunities, Risks and Exposure (ENCORE²) tool to identify key industries' dependencies on and impacts upon nature.

Based on nature-related impacts and dependencies, the Group identifies short-, medium- and long-term nature-related risks and opportunities faced by its own operations and portfolio enterprises. Drawing on comprehensive research and judgement of risks and opportunities, the Group has formulated full-chain response strategies covering strategic planning, investment decision-making and other areas.

Far East Horizon's Nature-related Risks and Opportunities Identification Pathway



² ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure), developed by the Natural Capital Finance Alliance, is an assessment tool designed to help financial institutions and enterprises assess the dependencies and impacts of business activities on natural capital (such as biodiversity and water resources), and integrate them into risk management and decision-making processes.

Far East Horizon's Nature-related Risks and Opportunities Response Strategies

Risk/Opportunity Type		Response Strategy
Risks	Natural-related physical risks faced by our own operations	<ul style="list-style-type: none"> Strengthen early-stage project screening Enhance resource consumption control and risk management Improve emergency response capacity building Enhance nature resilience
	Nature-related physical risks faced by the investment and financing portfolio	<ul style="list-style-type: none"> Define investment entry criteria clearly Strengthen due diligence Continuously monitor, assess, and manage the level of nature-related risks during post-investment management
	Nature-related transition risks faced in our own operations	<ul style="list-style-type: none"> Proactively adapt to regulations and standards Strengthen risk management capabilities Enhance information transparency and credibility
	Nature-related transition risks faced by the investment and financing portfolio	<ul style="list-style-type: none"> Strengthen compliance management Enhance risk management capabilities
Opportunities	Market opportunity	<ul style="list-style-type: none"> Innovate products and services; actively guide customers' transition through nature-related financial products, services and nature-positive investments.
	Resource efficiency opportunity	
	Capital flows and financing opportunity	
	Reputational capital opportunity	

Risk Management

As an enterprise with financial services at its core, Far East Horizon's nature-related risks and opportunities arise primarily from portfolio enterprises with high dependencies on and impacts upon natural capital. Should natural capital be damaged, not only will portfolio enterprises face difficulties, but the Group itself will also be adversely affected. To this end, the Group continuously improves its nature risk management mechanism, monitoring both internal operations and external risks to analyse risk characteristics, trace risk sources and assess development trends.

Far East Horizon's Nature-related Risk Management Process

Identification of impacts and dependencies	By reviewing the investment portfolio and screening key industries, we identified an industry list and conducted ENCORE analysis to determine a list of nature-related impacts and dependencies.
Risk identification and assessment	Perform analysis to determine the assessment scope and impact level of nature-related risks and opportunities, identifying those that have a significant impact on business strategy and operations.
Risk Management	Develop management measures for key risks and opportunities and evaluate the effectiveness of existing management initiatives.
Risk integration	Integrate nature-related risks into the existing risk management system to ensure regular identification and management of climate risks.

Metrics and Targets

The Group commits to “No Net Loss” and to remedying ecological losses caused by its operational activities. In addition, the Group sets specific targets and regularly tracks and discloses progress towards their achievement.

Far East Horizon’s Nature-related Targets and Achievement Status in 2025

Target	Progress in 2025
With respect to the amount of financial leasing business deployed in the wastewater treatment sector: based on the 2022 baseline value of RMB690.7479 million in financial leasing deployed in the wastewater treatment sector, the amount of financial leasing business deployed in the wastewater treatment sector shall be no less than RMB900 million by 2025.	As of the end of 2025, the balance of interest-earning assets for wastewater treatment projects reached RMB1.899 billion.
*Other targets are detailed in the “Climate Change Response” and “Environmental Management” sections of this report.	

The Group has, with reference to the TNFD global core disclosure metrics for risks and opportunities, and taking into account its own operational circumstances, identified the core disclosure indicator signals and metrics for nature-related risks and opportunities.

TNFD Core Disclosure Indicator Signals and Metrics for Nature-related Risks and Opportunities

Category	Standards	Value Chain
Risks	Value of assets, liabilities, revenues and expenditures assessed as being at risk from nature-related transition risks (total amount and as a proportion of total).	Financial business
	Value of assets, liabilities, revenues and expenditures assessed as being at risk from nature-related physical risks (total amount and as a proportion of total).	Financial business
	Description and value of significant fines/penalties/legal actions received during the year due to nature-related negative impacts.	Own operations
Opportunities	Amount of capital expenditure, financing or investment allocated to nature-related opportunities by opportunity type, with reference to government or regulatory green investment classification standards or third-party industry or non-governmental organisation classification standards (where applicable).	Financial business
	Increase in and proportion of revenues from products and services that have a clearly positive impact on nature, with explanation of their impact.	Financial business

For further information on the management of ecosystem and biodiversity conservation topics, please refer to the *Far East Horizon Limited Nature-Related Disclosure Report*.

4.3 Sustainable Finance*

As a comprehensive group spanning finance and industry, Far East Horizon is deeply aware that in the context of the deep integration of global finance and industries, sustainable finance, which was once a supplementary strategy to address environmental challenges and social responsibilities, has been upgraded and become a strategic core element to realize comprehensive, stable, and sustainable growth.

Governance

The Group is actively building a sustainable finance management system. It has formulated the [Sustainability Financing Framework](#) and, in 2025, revised and published the [Sustainable Investment Policy](#), setting out sustainable investment principles and environmental requirements for customers and investees, and enhancing the Group's sustainable investment capabilities. The Group has established a "Sustainable Financing Working Group" and a "Sustainable Investment Working Group" respectively. These two working groups collaborate closely to comprehensively integrate ESG factors into the Group's financing and investment decision-making processes from an industrial perspective, advancing the sustainable development of its integrated financial services.

The Group has formulated and published the [Statement on Coal Investment and Financing](#) and the [Statement on Unconventional Oil and Gas Investment and Financing](#), setting a target to fully exit existing coal and unconventional oil and gas projects by 2030, and comprehensively restricting investment and financing services globally for unconventional oil and gas, coal mining and coal-fired power generation projects from 2030 onwards, whilst continuing to support these projects in their transition towards green and low-carbon alternatives and promoting their development in a more sustainable direction.

Risk Management

To expand funding sources, the Group continues to raise funds through sustainable development loans, the issuance of specialized bonds, Asset-backed Securities (ABS), and Asset-backed Notes (ABN). These funds support the Group's environmental projects and other financial leasing projects that contribute to the sustainable development of the social economy. In 2025, the Group completed sustainability-related bank drawdowns equivalent to approximately RMB9.7 billion, with the funds used to support the development of renewable energy, wastewater treatment, energy efficiency improvement and other sustainable development areas.

Case

"Far East Leasing 2024 First Tranche Targeted Asset-Backed Notes (Bond Connect)" Awarded the "Sustainable Product Innovation Award" at the 10th Value Co-Creation Forum

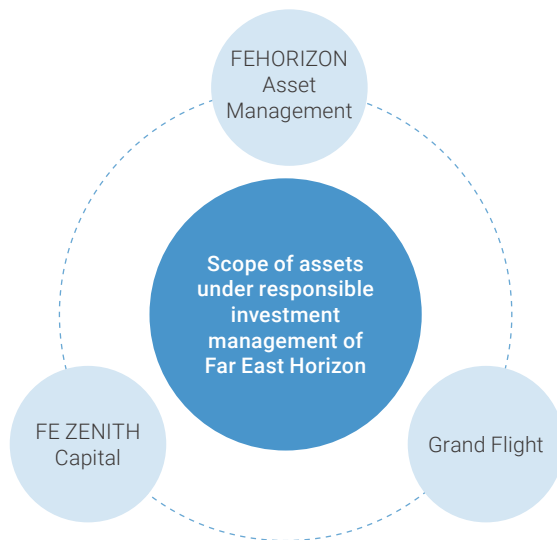


In 2025, the 10th Value Co-Creation Annual Trends Forum was successfully held. Far East Horizon was awarded the "Sustainable Product Innovation Award" for its "Far East Leasing 2024 First Tranche Targeted Asset-Backed Notes (Bond Connect)".

The "Far East Leasing 2024 First Tranche Targeted Asset-Backed Notes (Bond Connect)" is backed by small and micro enterprise equipment leasing assets as the underlying assets, and was successfully issued to global investors in the China interbank bond market in December 2024. The product received an AAAsf rating from S&P Global Ratings, making it the first domestically issued asset securitisation project backed by small and micro enterprise equipment leasing assets to receive an international AAA rating. Through the introduction of "Bond Connect" and an international rating, Far East Horizon demonstrated the use of financial innovation to support the real economy.

With respect to leveraging investment to facilitate the green transition of industry, in 2025 the Group formally signed the United Nations Principles for Responsible Investment (PRI) in its capacity as an “investment manager”. The assets under management covered by the PRI commitment encompass FEHORIZON Asset Management, FE ZENITH Capital and Grand Flight. The Group is committed to upholding the responsible investment principles of screening, ESG integration, thematic investing, stewardship and impact investing, and to enhancing its sustainable investment capabilities through the continued development of its sustainable investment system.

Scope of Far East Horizon’s PRI Assets under Management



Each of the Group’s investment platforms has established clear post-investment management processes. Taking FE ZENITH Capital as an example, a dedicated post-investment position is responsible for overall coordination, with full participation and support from back-office functions including legal, finance and risk management, and with assistance provided by investment teams, ensuring that relevant policies and procedures are rigorously implemented.

FE ZENITH Capital’s Post-investment Management Framework

Stage	Key Activities
Routine monitoring	<ul style="list-style-type: none"> • Remote and on-site monitoring of projects. • Tracking of the completion of earn-out arrangements and post-investment obligations. • Regular valuation reviews of investee enterprises and projects. • Review of routine matters at the three statutory governance meetings, and response to unforeseen abnormal events.
Post-investment empowerment	<ul style="list-style-type: none"> • Meeting the financing needs of investee enterprises through Far East Horizon’s diversified financial services.
Exit management	<ul style="list-style-type: none"> • Drawing on the project day-to-day tracking and regular review mechanism, and taking into comprehensive consideration the project’s strategic positioning, industry development, enterprise returns and risk assessment, make accurate judgements on whether to hold or exit. • For projects requiring exit, identify and explore exit opportunities, formulate exit plans and advance their implementation.

The Group has developed a green classification system and established a monthly management ledger to accurately identify and classify projects with environmental benefits. This ensures that capital is prioritized for green and low-carbon industries, effectively supporting and accelerating the industry's green transformation.

Case

FE ZENITH Capital's Portfolio Enterprise Develops Intelligent Water Environment Monitoring Terminal Products

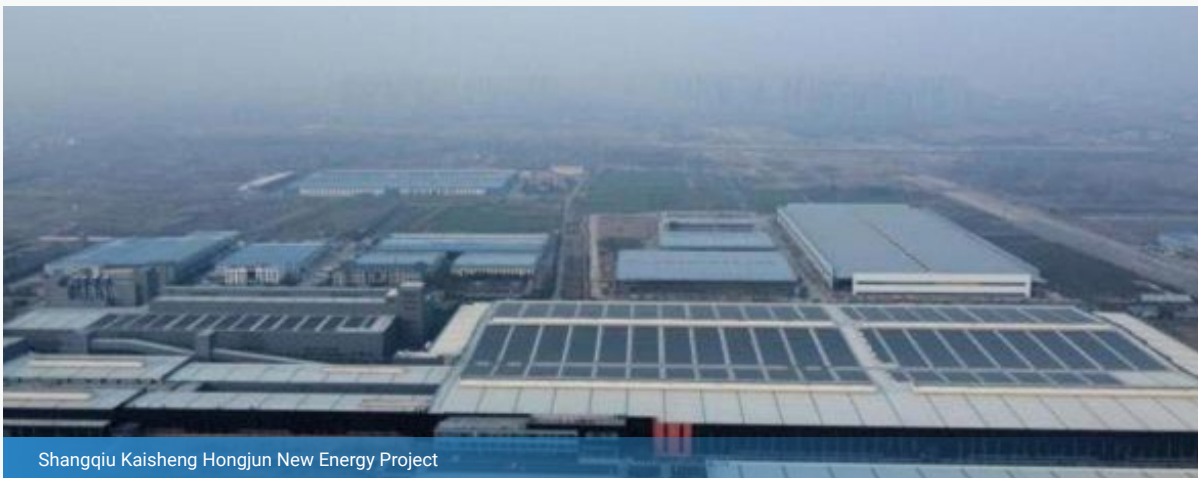
FE ZENITH Capital has invested in a frontier technology enterprise specialising in quantum dot spectral sensor technology, supporting its expansion into the globalisation of spectral information processing and intelligence.

This enterprise possesses the world's first miniaturised spectrometer technology, quantum dot spectral sensing technology. In response to the national call for ecological civilisation development, the enterprise has pioneered the commercialisation of this technology in the ecological environment sector, independently developing a series of intelligent water environment monitoring terminals centred on quantum dot spectral sensors. These terminals can be widely applied to real-time water quality monitoring and intelligent management of surface water and drainage pipe networks. The enterprise's relevant products were previously promoted nationwide as a new technology application demonstration project of the Ministry of Ecology and Environment, and its core technology has been included in the *Beijing Municipal Directory of Technical Guidance on Water Pollution Prevention and Control*.

Case

FEHORIZON Asset Management's Member Enterprise Continues Cooperation with Sequoia China in the Operation of Photovoltaic Power Stations

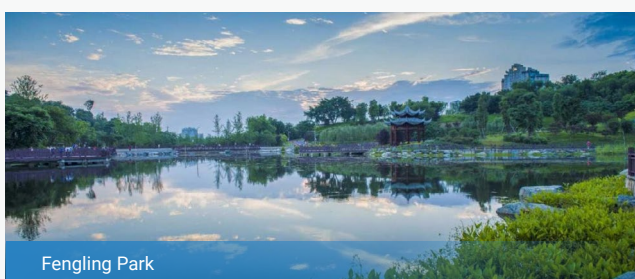
Starting in 2024, a member enterprise of FEHORIZON Asset Management received investment from Sequoia China's New Infrastructure Fund. The two parties provide comprehensive green energy services to industrial and commercial enterprises through an integrated "investment-financing-construction-operations" solution. In 2025, 12 new photovoltaic power stations were invested in and constructed. Some installations are equipped with charging facilities and energy storage equipment, providing peak and frequency regulation support to the electricity system whilst serving charging needs and reducing enterprise electricity costs. As at the end of 2025, the two parties had jointly operated 67 photovoltaic projects, with a total installed capacity of 138 MWp, generating over 150 million kWh of electricity during the year, maintaining a growth trajectory. Annual energy savings amount to approximately 49,000 tonnes of standard coal equivalent, with annual carbon dioxide emissions reductions of approximately 149,000 tonnes.



Shangqiu Kaisheng Hongjun New Energy Project

FEHORIZON Asset Management has actively responded to the national ecological civilisation development strategy by investing in and developing ecological restoration and urban function enhancement projects in Deyang and Ziyang, Sichuan Province. The Deyang project involves upgrading and transforming existing landscape greenways and scientifically planning new building structures, reshaping the city's ecological corridors. The Ziyang project comprises a PPP Project for the reconstruction of Fengling Park and a PPP Project for the riverfront landscape belt on the western bank of the Tuo River, systematically implementing landscape construction works, scenic area road and transport system development, and ancillary facilities improvement, comprehensively enhancing the quality of urban public spaces.

Upon completion, the projects significantly expanded recreational and leisure spaces for residents, injecting green vitality and ecological appeal into the city. Among these, Fengling Park in Ziyang was awarded the title of "Most Beautiful Park" in the Ziyang "Four Beauty" selection activity for the creation of a National Forest City, owing to its outstanding ecological landscape quality, serving as a benchmark demonstration for regional ecological governance and urban renewal.



Fengling Park



Most Beautiful Park title

Metrics and Targets

The Group continues to advance the national green development strategy through sustainable financing and green leasing. By establishing dedicated statistical indicators and dynamically tracking relevant data, the Group regularly reviews the effectiveness of its sustainable financing and green leasing practices, ensuring that targets progress in an orderly manner.

In 2025, the Group:

- Recorded new green leasing deployments of RMB904.545 million.
- Achieved a year-end green leasing asset balance of RMB8,718.073 million.
- Issued or obtained sustainability-related loans, bonds, ABS and other instruments totalling RMB21.3 billion.

4.4 Environmental Management

Far East Horizon strictly complies with the *Environmental Protection Law of the People's Republic of China* and other applicable laws and regulations, has formulated its *Health, Safety, and Environment (HSE) Policy*, and continues to advance environmental management development across its Shanghai Operation Centre and three major industrial segments. The Group actively explores and practises green and low-carbon operating models, working to promote the coordinated and harmonious development of its business operations and environmental protection.

The Group's Shanghai Operation Centre, located in Far East Horizon Plaza, is committed to implementing green office practices, water resources and wastewater management, and waste management in daily operations. These measures aim to improve resource utilization efficiency, reduce environmental pollution, and create a more sustainable working environment for employees.

Key Environmental Management Measures and Achievements at Far East Horizon Plaza in 2025

Key Aspects	Specific Measures	2025 Achievements
Green Office	<ul style="list-style-type: none"> • Optimise operating models: Optimise equipment start-stop schedules and adjust operating strategies in real time according to actual load; the public area lighting system in the basement automatically switches off during non-peak periods. • Introduce intelligent control systems: The smart lighting system incorporates light-sensing controls to automatically adjust lighting intensity based on outdoor brightness, improving energy use efficiency. • Apply energy-saving equipment: Install new air-source heat pump water heating units to recover waste heat generated during air conditioning system operation for heating domestic hot water; implement LED energy-saving lighting upgrades in public areas and kitchen areas on each floor. • Establish a low-carbon office culture: Launch a low-carbon office initiative, formulate the <i>Office Management Guidelines</i>, and guide employees in developing energy-saving and emissions-reducing habits; consolidate and reorganise employee workstations to designate centralised working areas; establish an online OA system and promote digital business cards; advocate double-sided printing and the use of personal water bottles. 	<ul style="list-style-type: none"> • Reduced electricity consumption by 678,200 kWh compared to 2024. • Reduced natural gas consumption by 27,418 m³ compared to 2024. • The air-source heat pump water heating units are estimated to save approximately 3,800 kWh of data centre air conditioning energy consumption per month, reduce exhaust fan electricity consumption in the B1 visitor area by 7,200 kWh, and reduce kitchen and shower natural gas consumption by 240 m³.
Water Resources and Wastewater Management	<ul style="list-style-type: none"> • The Group primarily sources water from municipal supplies and faces no issues in securing water resources. • Water analysis: Conducted a water balance test to identify key water consumption areas, providing scientific insights for optimizing water efficiency. • Water distribution: Conducted a comprehensive survey of Far East Horizon Plaza's water supply pipelines, identifying and eliminating leakage points to minimize water loss. • Water reuse: Installed a rainwater collection system, with treated rainwater used for landscape irrigation and road cleaning. • Water conservation: Encouraged employees to save water, prioritized the procurement of water-efficient appliances, and promptly repaired leaks. • Wastewater treatment: Wastewater collected from the underground parking area is treated through a sedimentation and oil separation system before discharge into the sewage system, while grease-laden wastewater from catering operations is treated before being discharged into municipal pipelines. 	<ul style="list-style-type: none"> • Saved 38,210 m³ of water compared to 2024. • Annual rainwater reuse volume reached 500 m³.

Key Aspects	Specific Measures	2025 Achievements
Waste Management	<ul style="list-style-type: none"> • Improve daily management processes: Strictly uphold the “same-day clearance” working standard and implement a daily scheduled collection and removal system to prevent waste accumulation and associated hazards. • Standardise waste sorting facilities: Upgrade waste sorting facilities; implement refined dry and wet waste separation at elevator lobbies, pantry areas and waste rooms on each floor; add recyclables and hazardous waste bins in waste rooms to achieve refined classification management. • Intelligent identification of tray waste: Introduce an intelligent food waste recognition system in the canteen as part of the “Clean Plate” initiative, accurately recording the sources and quantities of food waste to reduce food wastage. • Cultivate awareness of waste sorting: Strengthen waste sorting publicity through information displays at the Company reception, poster placements in corridors, instructional signage and property management staff training. 	<ul style="list-style-type: none"> • Collected and removed approximately 3,600 bins of domestic waste. • Collected and removed approximately 10,000 jin (5,000 kg) of recyclable materials.



Additionally, leveraging the unique characteristics and practical needs of its three core industry segments, the Group remains committed to its green development philosophy. It continues to implement precise environmental management strategies and initiatives, striving to optimize resource utilization efficiency, reduce environmental impacts, and drive various industries toward greener and more sustainable development.

Key Environmental Management Measures and Achievements of the Group's Three Core Industrial Pillars

Key Aspects	Specific Measures	Achievements
Equipment operation industry - CDHORIZON		
Management mechanism	<ul style="list-style-type: none"> Upholding the environmental management philosophy of "adhering to energy conservation and emission reduction, low-carbon work, and sustainable development" and making sure that all activities comply with the country's strict requirements on environmental protection. Establish an environmental management structure comprising "Board decision-making – Board ESG Committee oversight – Management ESG Committee guidance – Asset Centre HSE Management Department responsibility", and formulate the Health, Safety and Environment (HSE) Manual, Environmental Protection Management Measure, HSE Accident (Incident) Emergency Management Measures and ESG Management Guidance Manual (HSE Direction). 	<ul style="list-style-type: none"> Three operating bases under CDHORIZON has been certified to the ISO 14001:2015 - Environmental management systems, certification has covered 75% of the Group's bases.
Energy management	<ul style="list-style-type: none"> The energy types involved include electricity, gasoline and diesel used by vehicles owned by CDHORIZON, diesel used by engineering equipment, etc. Increasing the procurement proportion of electric high-altitude vehicles, and publicize the advantages of electric high-altitude vehicles to customers, encourage the choice of leasing electric high-altitude vehicles to replace fuel high-altitude vehicles and reduce the use of fossil energy. Optimising vehicle transfer and transportation routes to improve transfer efficiency and reduce the number of transport journeys; adopting an optimised order model for transportation to shorten transport distances and reduce fuel consumption. Installing fuel monitoring devices on the Company's equipment to monitor refuelling, fuel consumption, abnormal working conditions in real time, track the whereabouts of every drop of fuel equipment, improve the rationality of fuel use, reduce fuel waste. Bases use solar-powered street lighting; hot water for handwashing facilities uses solar water heating systems. Deploy ground-source heat pump air conditioning systems at the Jiading Base and Wuqing Base. Install rooftop photovoltaic systems at the Jiading Base, Jinshan Base and Nansha Base to enable grid-connected photovoltaic power generation. 	<ul style="list-style-type: none"> In the domestic high-altitude vehicle procurement, electric high-altitude vehicles reach 99%. Through the transition, 58,000 transport vehicles were saved, the transport distance was saved 2.38 million kilometres, and the total fuel saving of various models was 830,000 litres. Through order optimisation, the transportation distance was saved by 380,000 kilometres, and the total fuel saving of various models was 90,000 litres. A total of 22 fuel monitoring units were installed to improve the rationality of fuel use, saving a total of RMB720,000. The base has a total of 15 street lamps with solar ones. The three operating bases have a combined photovoltaic installed capacity of 1.6 MWh, with total power generation of 1.24 million kWh, of which 512,000 kWh was self-generated and self-consumed.

Key Aspects	Specific Measures	Achievements
Equipment operation industry - CDHORIZON		
Resource management	<ul style="list-style-type: none"> The water used in business operations includes municipal water and rainwater, so it has no problem in accessing water. The Jiading Base and the Nansha Base have a rainwater collection and recovery system and use collected rainwater in fountains, vehicle washing and other scenarios after treatment. Sedimentation tanks are installed to treat vehicle washing wastewater centrally; water after sedimentation treatment can be reused by some warehouses for vehicle washing. Carrying out the technical reform of vehicle cleaning machine, and installing the automatic water stop valve of car washing to reduce the waste of personnel action and water resources. Developing a code of conduct for employees to save water: turn off the faucet or water equipment in time after using water; if abnormal conditions such as pipe leakage and faucet not closed are found, the valve should be closed in time and reported for maintenance. Regularly conducting employee training on water efficiency management awareness to enhance their water-saving consciousness. Used auxiliary materials are recovered, repaired and organised; once they meet reuse standards, they are returned to use. Deformed or damaged Larssen piles are straightened and repaired by welding to restore their structural performance and extend their service life. Internally developed reusable packing frames are used, utilising the vertical and horizontal bars of ringlock scaffolding as the frame structure for packing construction materials; the packing frames can subsequently be reused in a circular manner, reducing the use of the original "channel steel frames". 	<ul style="list-style-type: none"> The Jiading Base recovered approximately 68 m³ of rainwater in total; the Nansha base recovered approximately 490 m³. Water consumption per individual washing work order maintained at 0.25 tonnes. Conducted one online water conservation awareness campaign, with a total readership of 2,700 person-times. Reused over 342 tonnes of auxiliary materials, saving over RMB1 million in auxiliary material procurement. Straightened and weld-repaired 137,700 tonnes of Larssen sheet piles, extending their average service life by three years and saving over RMB2 million in costs. Saved the procurement of 20,000 tonnes of "channel steel frames".
Effluent and waste management	<ul style="list-style-type: none"> The types of effluents involved include exhaust gases such as dust-laden exhaust gas and wastewater like factory cleaning wastewater and domestic wastewater. The types of waste involved include hazardous waste like discarded batteries and non-hazardous waste like scrap metal. Replacing the "propane or acetylene + oxygen" chemical cutting with plasma cutting for steel cutting to reduce exhaust emissions in the cutting process. Reuse outbound cleaning wastewater for washing inbound equipment. Adding oil-saving trays and oil-absorbing sponges in operating environments and locations prone to oil leak, and strictly requiring employees to carry it out. Setting up a battery management model warehouse, divided into storage areas for testing, charging area, testing area, capacity screening area, usable area, and scrap area, to screen and distinguish old batteries. Storing batteries with a remaining capacity of more than 50% in the reuse area for later use. Opening up channels for tire repair suppliers, sending scrapped tires that are no longer usable to the supplier for repair, peeling off the original tire rubber, and re-coating it to increase carbon content and make it become a black tire. This measure can reduce the purchase of new tires and help to reuse old wheel hubs. Recycling, repairing and reusing articles with reuse value. 	<ul style="list-style-type: none"> The recycling of cleaning wastewater can help reduce sewage discharge by about 350 m³ a year since 2017. About 1,500 old batteries can be used after capacity screening, which is expected to reduce the purchase amount of RMB1 million. The total number of recycled old parts is 55,000 (excluding batteries and tires), and a total of 11,000 pieces of high maintenance value materials have been screened, of which about 2,957 are repairable. 2,654 have been repaired and stored, with a repair rate of about 90%. In 2025, the repair value of old parts has been completed about RMB2.63 million, representing an increase of RMB1.96 million and 292% as compared with 2024.

Key Aspects	Specific Measures	Achievements
Medical service industry - Horizon Healthcare		
Management mechanism	<ul style="list-style-type: none"> Continuously strengthening the standardability of environmental management work. Invest RMB11,903,053 in environmental management to ensure compliance with environmental protection regulations, mainly including environmental impact assessment and monitoring of new, renovation and expansion construction projects, periodical monitoring cost for discharge by operating enterprises according to environmental protection regulations, and purchase, operation, maintenance costs, etc. of environmental protection and energy-saving equipment. 	
Energy management	<ul style="list-style-type: none"> The energy types involved mainly include electricity, natural gas and gasoline and diesel used by vehicles owned by Horizon Healthcare. Pushing for replacement or renovation with energy-saving LED lamps and air conditioners; the elevator is open at different times. Setting up an energy saving group, making uninterrupted inspections, providing timely feedback to departments to form a management chain, formulating quarterly publication of the RMB10,000 energy consumption standard for each department, and supervising the department's electricity consumption. Meizhou Tieluqiao Hospital has formulated the Energy Conservation Management Regulations, which mainly focus on energy-saving control of lighting systems, air conditioning, electrical appliances, medical equipment, etc., and irregular inspections have been conducted. The photovoltaic power generation project of Meizhou Tieluqiao Hospital is in continuous operation, with a power supply of approximately 120,000 kWh in 2025. The Siyang Traditional Chinese Medicine Hospital and Nayong Xinli Hospital installed solar hot water systems. Zhaotong Ren'an Hospital and Renshou Yunchang Hospital procure approximately 839,000 kWh and 219,000 kWh of green electricity, respectively, every year. 	
Water resources management and medical wastewater treatment	<ul style="list-style-type: none"> The water used in business operations includes municipal water, river water and underground water. Horizon Healthcare has no problem accessing water. Obtaining the wastewater/pollution discharge permit and renewing it in time. Pushing for the replacement with water-saving faucets and gradually replacing the central air conditioning system water pump with a variable frequency water pump. After the use of the haemodialysis machine in the haemodialysis room of Meizhou Tieluqiao Hospital, the circulating pipeline water is filtered and transported to the roof water tank for daily use, saving about 320 cubic metres of water per month. Launching an online wastewater monitoring system according to the local government's requirements, ensuring normal operation of wastewater treatment equipment, periodically monitoring sewage composition, and making sure the discharge does not exceed standards. 	
Disposal of medical waste	<ul style="list-style-type: none"> Member hospitals strictly manage hazardous waste, assign specialized personnel, and use special storage sites, containers and packaging materials. Trusting qualified units to dispose of infectious waste, sharps, pathological waste, drug waste and chemical waste category by category according to regulations. Zhecheng Traditional Chinese Medicine Hospital continues to use the intelligent medical waste management system of Henan Province. 	

Key Aspects	Specific Measures	Achievements
Education industry - Horizon Education		
Energy management	<ul style="list-style-type: none"> Carrying out statistics and management of energy consumption on campus, and specifying time and temperature requirements for air conditioners to be turned on and the time to turn on and off public lighting. Regularly checking power supply lines and electrical appliances and promptly shutting down electric equipment when not in use to reduce electricity consumption. Arranging personnel to take shifts and patrol classrooms except overnight self-study classrooms, to ensure that all types of electrical equipment such as air conditioners and lamps are turned off when not in use. 	
Water resources management	<ul style="list-style-type: none"> The water used in business operations is municipal water, so it has no problem in accessing water. Using energy-saving and water-saving appliances and encouraging faculty and students to save water. 	
Waste management	<ul style="list-style-type: none"> Supporting the establishment of the student club "Confucius Reading Group" based on environmental protection, purchasing books from graduating students, selling them to students in need, and improving the reuse rate of books. Sorting and disposing of non-hazardous waste such as paper and domestic waste according to relevant standards of the local government, which is collected by municipal units in a unified manner. Having qualified recycling companies dispose of kitchen waste generated on campus. Trusting professional units with qualification to recover and dispose of hazardous waste like toner cartridges and ink cartridges. 	

Using 2022 as the base year, the Group has set targets for energy management, water resources management, and waste management at the corporate level. The Group have established a data monitoring and statistical analysis mechanism for daily energy consumption and have further strengthened the implementation of measures related to energy conservation, emission reduction, water resource conservation, and waste reduction, striving to contribute to environmental sustainability. In 2025, the Group's business activities had no significant impact on the environment or natural resources, and no violations related to environmental protection occurred.

Far East Horizon Environmental Management Targets and 2025 Progress

Metric	2030 Target	2025 Progress	
Energy consumption per unit of revenue (tce/RMB million)	25% reduction from the base year(2022)	0.89	54.12% reduction from the base year(2022), achieved
Water consumption per unit of revenue (m ³ /RMB million)	25% reduction from the base year(2022)	50.65	20.34% reduction from the base year(2022), in progress
The Group continues to enhance waste classification, statistics, and management while tracking the comprehensive utilization of household waste, bulk solid waste, and other types of waste.		In progress	

SOCIAL





SOCIAL

EMPOWERING THE REAL ECONOMY WITH TECHNOLOGY FOR GOOD

Material topics addressed



The UN SDGs aligned

Note: Topics marked with * are financial/double materiality topics covered in this chapter.



5.1 Real Economy Support*

Governance

As a pioneer and leader in China's financial leasing industry, Far East Horizon adheres to the philosophy of "serving industry upgrades, serving urban upgrades" and follows the mission of "integrating global resources and promoting industry development". We are committed to continuing to inject vitality into the development of the real economy.

Under the overall coordination and direction of the ESG governance framework, the Group, drawing on the realities of the industries it serves, deploys targeted real economy support activities across its various business platforms and in each of its business areas, driving industrial advancement and urban development.

Risk Management

Drawing on extensive industry experience and professional financial capabilities, the Group provides real enterprises with integrated one-stop, full-lifecycle solutions through business models encompassing financial leasing, asset investment management, equity investment and equipment operations. The Group is deeply involved in nine fundamental sectors of national importance and people's livelihoods, urban utilities, healthcare, cultural tourism, engineering and construction, mechanical manufacturing, chemicals and pharmaceuticals, electronic information, consumer goods and daily necessities, and transportation and logistics, serving both government and market needs.

Supporting the Development of the Real Economy through Financial Leasing

With FEHORIZON Leasing (International Far Eastern Leasing Co., Ltd., Far East Horizon (Tianjin) Financial Leasing Co., Ltd., Far East Horizon Financial Leasing (Guangdong) Co., Ltd., etc.) as its core financial services platform, the Group provides comprehensive financial solutions centred on financial leasing, dedicated to supporting the high-quality development of the real economy. Through direct leasing and sale-and-leaseback models, the Group helps customers address their funding needs in the course of business development; assists customers in introducing advanced domestic and overseas equipment and technologies to improve productivity and production efficiency, facilitating their transformation and upgrading and enabling them to swiftly seize market opportunities; and unlocks the value of existing assets to support customers in achieving sustainable growth and industrial upgrading.

Case**First Cross-Border Direct Leasing Transaction Implemented**

In March 2025, the Group officially implemented its first cross-border direct leasing transaction for equipment, providing strong support and an example for domestic industries seeking to expand overseas. In this project, wide-body dump trucks were used as the leased assets and delivered to the overseas lessee through a series of procedures, including entry into the bonded zone, export tax rebate declaration, departure from China, export clearance and arrival in the importing country. Rental income was then received from overseas. Through this cross-border financial lease arrangement, the overseas lessee was able to meet its equipment needs for mining operations outside China.



Wide-Body Dump Truck, the Leased Assets under the Project, Being Declared for Export at Tianjin Dongjiang Comprehensive Bonded Zone

Through close cooperation with high-quality clients in both domestic and international markets, the Group tailored bespoke leasing solutions to meet their specific needs, providing extensive financial and industrial services for other Chinese manufacturers of high-end equipment expanding overseas, and supporting the high-quality development of the real economy.

In promoting industry communication and exchange, the Group has focused on building a dialogue platform between financial institutions and real-economy enterprises, advancing talent empowerment across industries, facilitating the precise matching of industrial and financial resources, and supporting industrial transformation and upgrading.

Case**2025 Advanced Seminar for the Engineering Construction Industry Successfully Held**

In April 2025, the Group successfully held the 2025 Advanced Seminar for the Engineering Construction Industry in Xiamen. Under the theme of "Working Together to Build the Future", the seminar brought together more than 60 business leaders from nearly 50 upstream and downstream enterprises in the engineering construction industry across China to explore pathways for the high-quality development of the entire engineering construction industrial chain.

The Group has long adhered to its "Finance + Industry" business model. In serving the engineering construction sector, it has remained closely aligned with the industry through innovative finance for infrastructure, infrastructure investment, and equipment engineering-related business, leveraging its operational strengths across multiple sectors to support the development of the real economy.



Group Photo of Participants at the 2025 Advanced Seminar for the Engineering Construction Industry

In addition, the Group has further expanded its inclusive finance services, with FEHORIZON Inclusive (Far East Horizon Inclusive Financial Leasing (Tianjin) Co., Ltd., Far East Horizon Leasing Co., Ltd., etc.) as the primary platform. Focusing on the "short-term, frequent and urgent" financing needs of small and micro enterprises, the Group precisely directs financial resources to the end of the industrial chain and to a broader range of privately-owned small and micro enterprises through online, convenient and efficient financial leasing services, substantively improving the coverage and accessibility of financial services for small and micro real enterprises. Further details are provided in the section "Access to Finance".

Supporting the Development of the Real Economy through Asset Investment Management

The Group fully leverages its dual advantages in "Finance + Industry", with its professional asset investment management platforms developing a full-chain investment management capability spanning "fundraising, investment, construction, operations and exit".

FEHORIZON Asset Management's Full-lifecycle Investment Management Service System



FEHORIZON Asset Management, through deepening its service model and innovating its service approaches, has built a flexible and diversified investment product model, continuously increasing investment in key infrastructure sectors such as municipal roads, urban parks, clean energy, and education and culture. Through professional operations management, it drives the transformation and upgrading of traditional industries and supports the high-quality development of the real economy.

Case

FEHORIZON Asset Management Invests in and Constructs Infrastructure for Two Universities

FEHORIZON Asset Management has invested in and developed the Yantai University Development Zone Science and Education Park PPP Project and the Shandong Jianzhu University Industry-University-Research Base (Yantai) Phase 1 PPP Project. Both projects are located within the Bajiao Bay Central Innovation Zone of Yantai's Huangbohai New Area, with total gross floor areas of 425,000 m² and 241,000 m² respectively, representing key education projects promoting the integration of industry and education in the region. FEHORIZON Asset Management also continues to provide infrastructure operations support for both universities, harnessing the power of private capital to drive regional educational development.



Case

FEHORIZON Asset Management Participates in the Construction of Zaozhuang Century Avenue

Through its strong node control capabilities, FEHORIZON Asset Management joined forces with all relevant parties to complete the main road and the Niezhuang interchange of Provincial Road 103 for the Zaozhuang Century Avenue project. The interchange was officially opened to traffic before National Day 2025, with all other ancillary facilities completed by the end of 2025. The completion of the Niezhuang interchange also marks the full completion of the Zaozhuang Century Avenue project, providing the final piece of the puzzle to facilitate residents' daily commuting needs.



Century Avenue Niezhuang Interchange



Supporting the Development of the Real Economy through Equity Investment

Guided by its core investment philosophy of “financial empowerment plus industrial enablement”, the Group, through its two equity investment platforms, Grand Flight and FE ZENITH Capital, focuses on the areas of technology innovation, advanced manufacturing and healthcare. Beyond providing capital support, the Group places strong emphasis on post-investment value-add, helping portfolio enterprises to access Far East Horizon’s financial and industrial resources and establishing differentiated advantages across the project screening, due diligence and post-investment management stages, continuously driving technological innovation and industrial upgrading and injecting powerful momentum into the high-quality development of the real economy.

Case

Changfeng Pharma, a Portfolio Enterprise of Grand Flight, Officially Lists on the Hong Kong Stock Exchange

In October 2025, Changfeng Pharma Co., Ltd., a portfolio enterprise of Grand Flight, officially listed on the Hong Kong Stock Exchange.

Since its founding in 2007, Changfeng Pharma has focused on the research and development, manufacture and commercialisation of inhalation technologies and inhaled drugs, with products covering respiratory diseases including asthma, chronic obstructive pulmonary disease and allergic rhinitis. Grand Flight invested in Changfeng Pharma in 2020 and has continued to provide capital and industrial resource support throughout its development.



Changfeng Pharma listing ceremony

Case

Tianhe Magnet, a Portfolio Enterprise of FE ZENITH Capital, Successfully Lists on the Main Board of the SSE

In January 2025, Baotou Tianhe Magnetics Technology Co., Ltd., a portfolio enterprise of FE ZENITH Capital, listed on the main board of the Shanghai Stock Exchange (SSE).

Established in 2008, Tianhe Magnet is a key high-technology enterprise specialising in the research and development, production and sale of high-performance rare earth permanent magnetic materials, with full industrial chain capabilities spanning rare earth raw material supply through to finished product processing. Its products are widely used in national strategic emerging industries including new energy vehicles, wind power generation, rail transit and aerospace. Since FE ZENITH Capital's investment in Tianhe Magnet in 2020, it has leveraged Far East Horizon's industrial expertise and capital strengths to support the enterprise in achieving technological upgrading and market expansion.



Tianhe Magnet listing ceremony

Serving the Real Economy through Equipment Operations

The Group's subsidiary, CDHORIZON, provides equipment operations services encompassing aerial work platforms, new-generation shoring systems and new-generation formwork and scaffolding systems, offering a one-stop "products + services" solution to the construction industry and industrial customers, supporting infrastructure construction and operational efficiency improvement in the real economy. Further details on relevant initiatives are provided in the CDHORIZON Special Report.

Metrics and Targets

Through its diversified businesses spanning financial leasing, asset investment management, equity investment and equipment operations, the Group continuously supports and drives the development of the real economy, promoting the sustained enhancement of industrial value. This constitutes the Group's core target in this area, with corresponding monitoring indicators established to ensure continued progress towards its achievement.

5.2 Customer Service and Satisfaction*

Through large-scale resource integration on a global scale, Far East Horizon has built a unique commercial ecosystem, offering one-stop and integrated services to provide long-term, customised and comprehensive solutions for enterprises, with a commitment to becoming a trusted lifelong partner for its customers.

Far East Horizon Customer Service Commitment

High-quality Service

We pledge to love our job and provide efficient, convenient one-stop services to customers at all times.

Reputation First

We pledge to act with integrity, adhering to the principle of trustworthy cooperation with each customer.

Integrity and Self-discipline

We adhere to professional ethics, rejecting bribery and any illegal or unethical behaviour.

Governance

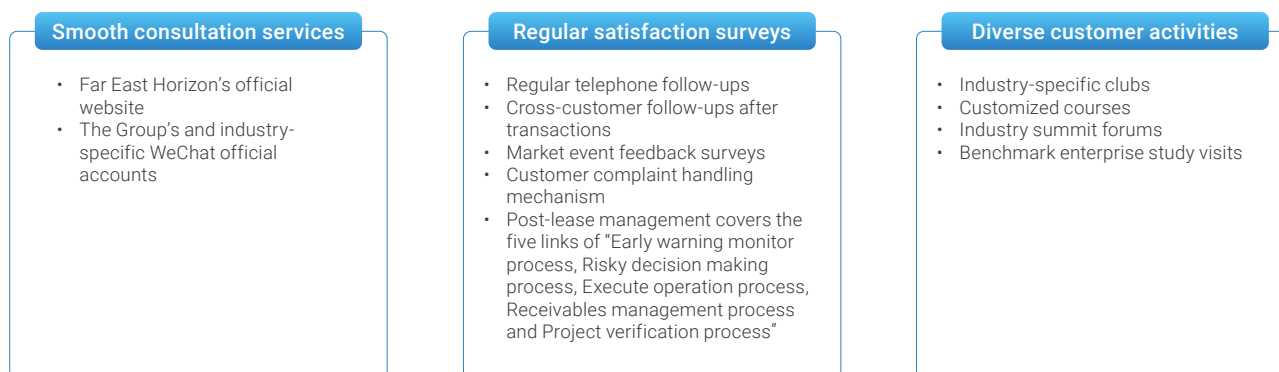
The Group regards quality customer service as a core competitive advantage. Under the overall ESG governance framework, each business department works to optimize customer service and improve satisfaction. Functional departments provide comprehensive support to ensure that customers receive efficient, professional, and considerate services at every touchpoint.

Risk Management

Rooted in the real economy, Far East Horizon provides partners with comprehensive financial services including financial leasing, supply chain finance, international finance, asset investment management, equity investment and inclusive finance, whilst also conducting industrial operations in areas such as equipment operations, healthcare and elderly care, and education.

Building on the Group's well-established customer service management mechanism for financial services, each business segment continuously optimises the service experience and improves customer satisfaction in a manner tailored to its own characteristics. The three major industrial sectors, based on the operational characteristics of their respective industries, provide specialized customer services, as detailed in the sections "Construction and Equipment Quality", "High-quality Medical Services", and "Campus Education and Safety" under the "Special Reports of Three Industries".

Far East Horizon Customer Service Management Mechanism



In respect of financial leasing services, the Group has established a clear telephone follow-up mechanism, with differentiated processes set for the pre-commencement and post-commencement stages of lease activation, so as to improve service quality and standards through a standardised approach.

Far East Horizon Pre- and Post-leasing Telephone Follow-up Mechanism

Metric	Procedures
Pre-leasing	<ul style="list-style-type: none"> The Operation Centre initiates the payment procedures for eligible projects, triggering a telephone follow-up to the accounts receivable customer service position. The accounts receivable customer service position verifies the project financing amount, involvement of intermediaries, customer satisfaction, and other matters based on the contact information provided in the <i>Contract Signing Report</i>, the <i>On-Site Notification Confirmation</i>, and the <i>Telephone Follow-up Confirmation Letter</i>. If any anomalies are found, the customer service must email feedback to the business department's general manager and also CC the Internal Audit Department, then complete relevant actions according to the response from the business department's general manager.
Post-leasing	<ul style="list-style-type: none"> If changes occur after the project is leased by the Traditional Business Department, the accounts receivable customer service position creates a telephone follow-up plan based on business and operational risks. The accounts receivable customer service position reviews whether the project triggers a telephone follow-up during the decision-making process. In the post-leasing document handover procedures, the system triggers a post-leasing telephone follow-up to the accounts receivable customer service position for eligible projects based on the decision. The accounts receivable customer service position verifies the involvement of intermediaries, customer satisfaction, and other matters based on the contact information provided in the <i>Telephone Follow-up Confirmation Letter</i>. Any anomalies are handled according to the <i>Post-leasing Business Approval Management Measures</i>.

As a professional platform serving small and micro enterprises, FEHORIZON Inclusive has established a tiered complaint handling mechanism tailored to the characteristics and needs of small and micro customers, ensuring that customer complaints receive professional, objective and fair responses and resolution within a reasonable timeframe, thereby continuously optimising and enhancing service quality.

Customer Complaint Handling Mechanism of FEHORIZON Inclusive

<p>General complaint handling mechanism</p>	<ul style="list-style-type: none"> • After receiving a complaint, if it cannot be solved online, the customer service department will create a work order and forward it to the relevant secondary responsible department, reply to the customer and complete customer follow-ups within a specified time period. • If the secondary responsible department fails to handle the complaint within the specified time period, the work order will be automatically escalated to be handled by a primary department and even the Internal Audit Department and the General Manager.
<p>Severe complaint handling mechanism</p>	<ul style="list-style-type: none"> • Regarding serious complaints involving third-party involvement, administrative punishment, etc., the customer service department will directly create a serious complaint work order and submit it to the Enterprise Planning Department while copying it to the Internal Audit Department and the General Manager, and report it according to the requirements. • If a complaint involves violations by employees of the Company, the customer department will also initiate the serious complaint handling procedures, and directly submit it to the Internal Audit Department while copying it to the General Manager for quick response and serious accountability.

Metrics and Targets

The Group establishes internal business targets for financial leasing, FEHORIZON Inclusive and other business lines respectively, and tracks their implementation on a regular basis, continuously advancing the refined management of services and enabling high-quality business development.

Far East Horizon's 2025 Customer Service Management Target and Performance

Target	Metric		2025 Performance
<p>Innovating and upgrading service models to enhance service quality and efficiency</p>	<p>FEHORIZON Leasing</p>	<p>Pre-leasing telephone follow-up count</p>	<p>4,351 times</p>
		<p>Pre-leasing service satisfaction average score³</p>	<p>9.92 points</p>
		<p>Post-leasing telephone follow-up count</p>	<p>112 times</p>
		<p>Post-leasing service satisfaction average score</p>	<p>9.88 points</p>
	<p>FEHORIZON Inclusive</p>	<p>Customer complaint handling rate</p>	<p>100%</p>

³ The highest score for service satisfaction is 10, and the passing score is 6. If the score is below 8, the customer service must inquire about the specific aspects of dissatisfaction.

5.3 Fintech*

Governance

Far East Horizon continues to deepen its digitalization strategy of “strategic guidance, user-centricity, and integration of operations and management”, accelerating the convergence and innovation of fintech with business scenarios, and driving the comprehensive upgrade of core systems and functional platforms towards digitalization and intelligence.

The Group’s Information Technology Committee provides overarching coordination for the top-level planning and strategic implementation of fintech development. The Digital Technology Department leads the construction of the technology platform, data governance and innovative applications. Business departments and subsidiaries collaborate in the research and development of digital products and the reshaping of service models, building a technology-enablement system that covers the front, middle and back offices, and supporting the high-quality development of the real economy through efficient, secure and intelligent financial services.

Risk Management

Driven by fintech enablement as its engine, the Group continues to deepen the integrated application of digital technologies across the full business chain, accelerating the development of new-generation technology-driven financial services capabilities, and leveraging technological innovation to improve operational efficiency, reinforce risk defences and extend the reach of services.

In 2025, the Group continued to make in-depth advances in mobile internet, artificial intelligence and big data, driving the deep integration of technology with business scenarios.

Digitalization Measures of Far East Horizon in 2025

Artificial intelligence

- AI infrastructure development and application: Built a Group-level AI infrastructure and services platform to support the rapid, secure and compliant application of AI capabilities across the headquarters and subsidiary platforms, with a cumulative total of 16 categories of intelligent applications and 39 specific enablement scenarios.
- Full-process intelligent upgrade of pre-visit reports: Drawing on the Group’s self-developed lightweight AI model and multimodal processing technology, automated aggregation of research data, precise extraction of key information and intelligent generation of reports have been achieved, compressing a research cycle of several days to a matter of hours. The system possesses human-like analytical capabilities including adaptation to Chinese commercial scenarios, autonomous planning of analytical pathways and cross-validation of data, significantly improving report accuracy and compliance.
- AI-driven improvement of R&D efficiency: Introduced AI-assisted coding tools to provide comprehensive assistance across scenarios including code generation, intelligent Q&A and code optimisation. In 2025, the number of users reached 131; annual code repository submissions increased from 5,143.9 thousand lines in 2024 to 5,974.5 thousand lines, representing a 16.15% improvement in R&D productivity.

Big data

- Digital precision marketing: Integrated internal and external customer information to build comprehensive 360-degree profiles of customers’ actual controllers, families and enterprises; based on machine learning methods, extracted and mined customer characteristics, conducted customer clustering and segmentation, predicted customer B2B and B2C needs, and guided marketing services to facilitate deeper value exchange.

Mobile Internet

- Comprehensive mobilisation of business experts: Drawing on the Group's deep expertise in 5G messaging, mobile authentication and AI technologies, the comprehensive mobilisation of business expert services has been advanced to a new stage. The initiative integrates core Group resources including trusted digital credentials and capability middleware platforms, enabling efficient scheduling of expert resources, remote collaboration and precise service delivery, transcending limitations of time and location.

In addition, the Group is committed to further expanding the coverage of inclusive finance services through digital means. Focusing on the three links of "pre-leasing, approval and signing, and post-leasing", the Group leveraged technology to empower inclusive financial services, comprehensively enhancing service quality and customer experience, and providing strong financial support to small and micro enterprises.

Far East Horizon's Technology-Enablement Measures for Inclusive Finance Business

Technology empowers the whole business procedures		Technology empowers risk management
Pre-lease links	<ul style="list-style-type: none"> • Apply digital tools including remote video due diligence, system-based telephone calls and monitoring reports to optimise credit approval efficiency and strengthen the digital management of front-line marketing processes. 	<ul style="list-style-type: none"> • Leverage AI large language models and multi-agent technologies to achieve intelligent generation of customer rating reports, compressing the report drafting cycle from two to three days to within one day. • Apply AI to achieve risk stratification and classification and panoramic profiling, building an efficient "human + AI" collaborative risk management closed loop.
Approval and signing links	<ul style="list-style-type: none"> • Enable the configuration of complex financial quotation rules to respond swiftly to policy changes. • Leverage digital tools to achieve automated approval of business authorisations, contract handovers and payment processes. 	
Post-lease links	<ul style="list-style-type: none"> • Improve post-lease operational efficiency and judicial litigation support through online notarisation, mobile office and electronic evidence issuance. 	

In addition, the Group has developed platforms including the FEHORIZON Inclusive mini-programme, the FEHORIZON Factoring platform and the Yuanhong Yilian platform, precisely implementing digital service initiatives for inclusive finance and supply chain finance. Further details are provided in the section "Access to Finance".

Metrics and Targets

Metric	Target	2025 Completion Status
Investment in informatization	Continuously increase investment in digitalization development and build a professional information technology talent pool	Approximately RMB65 million
Talent in information technology ⁴		Approximately 160 people
Intelligent empowerment scenarios	10 projects	16 projects
Percentage increase in R&D efficiency	10%	10%
AI R&D tool utilisation rate	Over 90%	Over 95%

⁴ The statistical scope of talent in information technology is the number of people at the headquarters of Far East Horizon.

5.4 Privacy and Data Security*

In the course of its operations, Far East Horizon involves the collection and use of personal customer information, such as personal identity information, asset information, and biometric data. Ensuring the security of customer information is a necessary condition for the Group's compliant and stable operations. Therefore, privacy and data security are crucial to the Group.

Governance

The Group strictly adheres to laws and regulations such as the *Data Security Law of the People's Republic of China*, the *Cybersecurity Law of the People's Republic of China*, and the *Personal Information Protection Law of the People's Republic of China*. It has formulated and strictly implemented internal policies such as the *Information Security Management Standards*, the *Rules on Personal Information Protection and Management*, and the *Rules on Full Life Cycle Data Security Management*. The Group has established a top-down, centralized privacy and data security management framework. Each step of data collection, storage, processing, transmission, sharing, and destruction is rigorously managed to build a strong defence line for privacy and data security.

Privacy and Data Security Management Architecture of Far East Horizon

Board of Directors	<ul style="list-style-type: none"> The highest decision-making and supervisory body for information security and privacy protection, bearing ultimate responsibility for data security management.
IT Committee	<ul style="list-style-type: none"> A standing leadership body reporting directly to the Chief Executive Officer; implements the strategic decisions of the Board of Directors; responsible for reviewing the implementation of Group-level information security control strategies and control systems.
IT Department of the Strategic Centre	<ul style="list-style-type: none"> The executive body of the privacy and data security management function of the IT Committee. It is responsible for establishing the Group-level management system, formulating management standards, guiding the implementation of management activities, and inspecting the execution of management standards.
Subordinate units and enterprises	<ul style="list-style-type: none"> Subordinate units set up their own highest management organizations, are responsible for the privacy and data security management effectiveness of their own units, and periodically report the performance and improvement achievements of their management systems to the IT Department of the Strategic Centre of the Group. The IT departments of subordinate units are responsible for establishing, operating and maintaining their units' management systems.

Risk Management

To ensure the effective implementation of privacy and data security, the Group follows ISO27001 and the Basic Requirements for Cybersecurity Level Protection of Information Security Technology 2.0 and implements multilayered and three-dimensional privacy and data security measures. These measures cover cybersecurity protection, information terminal protection, data information protection, personal information protection, security event response, and the construction of a security culture, ensuring the overall security of the Group's information.

Privacy and Data Security Assurance Mechanism of Far East Horizon

Aspect	Specific Measures
Data security infrastructure construction	<ul style="list-style-type: none"> • Strengthening protective capabilities: Focusing on WAF-side protection, improving defence against brute-force cracking of internet accounts, and ensuring network access is controlled and restricted, and network attacks are detected and blocked in a timely manner. • Vulnerability closed-loop management: Continuously advancing security checks for internal and external network assets and establishing a vulnerability scanning work order mechanism to close the vulnerability management loop, and achieving a full-procedures closed-loop management from discovery to evaluation, repair, and verification. • Security situation monitoring: Releasing monthly information security operation reports, reviewing, summarizing, and correcting the Group's security operations, and generating an annual correction list. • Obtain exit filing: Obtaining approval from the Shanghai Municipal Internet Information Office for the standard contract filing of personal information exit, and ensuring the safety of personal information leaving the country. • Level protection assessment: Regularly engaging external professional organizations to conduct level protection assessments to evaluate whether security management measures and policies meet the requirements of relevant laws and regulations. • Disaster recovery drills: Conducting disaster recovery drills to verify the effectiveness of the current Disaster Recovery Data Centre's operations, and minimizing and preventing the damage and losses caused by security events.
Confidentiality mechanism setup	<ul style="list-style-type: none"> • Tiered classification and labelling of outbound documents: Comprehensively promote the implementation of document tiered management and control in departments with high volumes of data transmission requirements, including the Digital Technology Department, Finance Centre and Asset Centre; strictly adhere to the tiered classification and labelling system for outbound data to ensure information security. • Signing <i>Letters of Commitment on Confidentiality Agreements</i>: Incorporating privacy protection into the Group's compliance management mechanism, and supervising employees to sign the <i>Letter of Commitment on Job Confidentiality</i> and department managers to sign the <i>Letter of Commitment on Confidentiality Responsibility</i>. • Post-employment information tracking: Departing employees must sign the Group's unified letter of commitment on data security, and during their exit process, employees in the process of leaving will be subject to terminal security control. • Customer privacy protection: At each stage of information collection, use, storage and transmission, customers are clearly informed of the nature and purpose of the information collected and are provided with detailed explanations of their rights in relation to their personal information, including the right to be informed, the right of access, the right of rectification, the right of erasure and the right to withdraw consent. Customers are also clearly notified of the information retention period, the security protection measures in place, and the policy for sharing information with third parties where permitted by law or authorised by the customer, ensuring that customers fully understand how their personal information will be processed and protected.
Data security culture building	<ul style="list-style-type: none"> • Establishing an information security training system: Including information security training in new employee training, organizing business personnel to undergo business-related information security training, and providing specialized information security training for IT personnel, and building a security culture across the Group. • Pushing security emails: Sending emails on information security, email security, and account security to raise employees' awareness of information security.

The Group places great importance on privacy and data security audits, and through comprehensive internal and external audits, it ensures the timely identification and resolution of information security vulnerabilities, significantly improving overall information protection effectiveness.

Privacy and Data Security Audits of Far East Horizon

Type	Audit Content	Audit Frequency
Internal audit	<ul style="list-style-type: none"> • Conducting spot checks regarding ten key security fields in each business sector of the Company. • Assessing data risks from all dimensions of the full lifecycle of data. 	<ul style="list-style-type: none"> • Once a quarter
External audit	<ul style="list-style-type: none"> • Engaging third-party external agencies to conduct information security audits on aspects such as the Company's management of its IT procedures; • Engaging third-party agencies to conduct compliance audits regarding privacy policies, which include appraisal of information security protection levels and security-related rectification. 	<ul style="list-style-type: none"> • Once every two years for systems with a protection level of 2 • Once a year for systems with a protection level of 3 • Other external audits are conducted from time to time

The Group adheres to the idea that "information security is everybody's responsibility", sees every employee as a key force protecting data security, and integrates information security responsibility into the job responsibilities of all employees. By establishing an effective reporting mechanism, a performance appraisal system and regular training and publicity activities, the Group makes sure that all employees undertake the major responsibility of maintaining the enterprise data asset security protection system in daily work, thus effectively ensuring enterprise data security.

Employee Participation Measures in Privacy and Data Security of Far East Horizon

Reporting mechanism	<ul style="list-style-type: none"> • Formulating and implementing the <i>Management Rules of Emergency Response Policies and Plans to Security Incidents</i> and requiring departments to collect, analyse and sum up information security operation statuses and closely monitor information security. • When finding a sign of a security incident, employees shall immediately report it to the emergency response system, which will determine whether to report it to the leading group for emergency response based on the level of the security incident.
Performance appraisal	<ul style="list-style-type: none"> • Regarding employee acts that violate network system and <i>information security management standards</i>, the Digital Technology Department will record them in detail and trace system running logs as objective evidence. • Once a violation by an employee is found, the Group will officially issue a written notice, and hand over relevant evidential materials to the relevant human resources department in a timely manner, which will be used as important reference in the performance appraisal of the employee involved.
Training and publicity	<ul style="list-style-type: none"> • Conducting information security training by sending information security tabloids via email and Feishu, carrying out quarterly themed publicity and face-to-face teaching, inviting third-party professionals to hold training sessions at the Company, etc. • Conducting information security training among all employees during the special improvement project for information security. The training contents include interpretation of the Information Security Management Standards, identification skills of phishing emails, reporting and handling procedures of information security incidents, etc.

Metrics and Targets

Metric	Target	2025 Completion Status
Employee coverage of data security training	100%	100%
Number of major information security incidents	0	0
Information security system building	Optimizing information security management standards; implementing specific information security standards; promoting system building through inspection, identifying high-risk scenarios and pushing for remediation.	Completed
Group-level information security control	Formulating the Group-level control baseline; assisting subordinate platforms in implementing the Group's security requirements and conducting an annual audit of subordinate platforms.	Completed

In 2025, the Group

- No major information security incidents occurred, and no privacy data of customers or employees was affected.
- A total of 11 systems obtained level protection certification. Among them, four systems have been certified with Level 2 classified protection, and seven systems have been certified with Level 3 classified protection.
- A total of seven information security awareness bulletins were sent out, four information security policy briefings were conducted, one IT personnel IT training session was held, and one information security awareness training session was delivered by third-party professionals, achieving 100% employee coverage.
- The Yuanhong Yilian platform system passed the national Level 3 Information Security Classified Protection certification.



Yuanhong Yilian Platform Level 3 Classified Protection Certificate

5.5 Access to Finance*

Governance

Far East Horizon has consistently upheld the philosophy of “finance for the people”, with a focus on providing high-quality and comprehensive financial services to small and micro enterprises and other market participants.

Under the overall coordination of the ESG governance framework and the supervision of a senior executive at the VP level, and drawing on the professional platforms of FEHORIZON Inclusive, FEHORIZON Factoring and Yuanhong Yilian, the Group continuously optimises its financial leasing and supply chain financing service systems, substantively improving the accessibility and coverage of financial services, and giving practical expression to the “inclusive finance” agenda.

Risk Management

Providing Financial Leasing Services for Small and Micro Enterprises

Through FEHORIZON Inclusive, the Group continuously expands the breadth and depth of its inclusive finance business. In 2025, FEHORIZON Inclusive, drawing on over 80 inclusive finance service outlets established across more than 20 provinces nationwide, extended financial leasing services down to county-level areas. At the same time, FEHORIZON Inclusive optimised its online channel products through iterative upgrades to lower interest rates and increase credit limits, and expanded its range of direct-sales products targeting smaller loan amounts with faster approval turnaround times, driving broader coverage of financial services for privately-owned small and micro enterprises.

Case

FEHORIZON Inclusive Supports the Construction of a Smart Factory for a Small and Micro Enterprise

To effectively alleviate the funding shortfall faced by a food packaging company in Inner Mongolia during the construction of its smart manufacturing factory, as it upgraded its original semi-automated production line to a fully intelligent manufacturing line, FEHORIZON Inclusive tailored a financing solution of RMB3 million based on the original tax-inclusive invoice value of the company's existing equipment. This provided strong support for the successful implementation of the new factory project and fully demonstrated the important role of inclusive finance in supporting the growth of small and medium-sized enterprises.

FEHORIZON Inclusive drives the extension of inclusive finance services and improvements in quality and efficiency across multiple dimensions, including channel reach, service network, product innovation, risk assessment and customer experience.

FEHORIZON Inclusive Key Measures to Improve Access to Finance

Key Dimension	Key Measures
Online channel reach	<ul style="list-style-type: none"> Establish strategic partnerships with digital enterprise service platforms including Kingdee, Rong360 and Yonyou, to enable embedded reach of financing products within the business operating scenarios of underserved small and micro enterprise customers. Launch the “FEHORIZON Inclusive” mini-programme, supporting customers in remotely submitting requests and enabling relationship managers to complete the full process online, including remote due diligence, online credit checks and electronic signing, providing convenience for small and micro enterprise customers in remote and less-developed areas.
Improving offline management	<ul style="list-style-type: none"> Implement localised management for areas without service coverage; mobilise members from nearby service outlets to form mobile service teams, equipped with standardised materials and mobile office equipment. Regularly establish temporary service points at township markets and other locations with high population concentrations, delivering one-stop services comprising policy briefings, product consultation and on-site application processing. Proactively reach out to local enterprises, understand customer needs through visits and on-site communication, and promote the delivery of financing services in areas without service outlets.
Improving financial literacy	<ul style="list-style-type: none"> Develop online courses and illustrated guides on financial management and financing planning for small and micro enterprises; disseminate financial knowledge through a combination of online product promotion and offline briefings. For first-time financing applicants, relationship managers proactively conduct financial knowledge education covering financing risk identification and the prevention of illegal financing activities, enhancing customers’ risk identification capabilities.
Risk Assessment System	<ul style="list-style-type: none"> Integrating data from sources such as the Credit Reference Centre of the People’s Bank of China, litigation, tax, electricity, and other datasets to optimize customer profiles and incorporate industry environmental risk assessments. Conduct specialised assessments incorporating an industry dimension; set admission restrictions for highly sensitive sectors such as photovoltaics and implement dynamic controls for high-carbon-emission sectors. Implement authenticity verification of project “lead sources”; adhere to the principle of dispersed deployment amounts and control single-customer concentration.

Providing Comprehensive Financial Services for Supply Chain Enterprises

Drawing on its two platforms, FEHORIZON Factoring and Yuanhong Yilian, the Group provides comprehensive financial services for supply chain enterprises. FEHORIZON Factoring focuses on factoring business, providing supply chain financing and value-added services, whilst Yuanhong Yilian, as a supply chain technology platform, provides full-process technology services related to accounts receivable circulation and transactions. The two platforms form a collaborative “business + technology” model, jointly improving the accessibility and efficiency of supply chain financing.

Measures of FEHORIZON Factoring and Yuanhong Yilian to Improve Access to Finance

FEHORIZON Factoring	<ul style="list-style-type: none"> • Converting core enterprises' payables into divisible, transferable digital debt instruments, and using the core enterprise's credit to enhance the creditworthiness of small and medium-sized suppliers, thereby lowering financing thresholds.
Yuanhong Yilian Platform	<ul style="list-style-type: none"> • As a supply chain technology platform, provide product modules including PiaoMiaoRong and HongLianBao, tailored to the full-chain needs of supply chains. • Directly connect to banking systems to build a core enterprise–supplier–capital provider ecosystem, improving capital accessibility and disbursement efficiency. • Achieve automated initial risk screening through invoice machine review and debt pre-review, reducing the cost of manual review while maintaining risk management quality, covering a broader range of small-amount, high-frequency and urgent supply chain financing needs. • Utilizing technologies such as OCR recognition, automatic verification, and electronic seals (certification by China Financial Certification Authority (CFCA) to significantly shorten the financing approval cycle.

Metrics and Targets

Target	Metric	2025 Performance
Improving access to finance, expanding the financing coverage for small and micro enterprises, and building an ecosystem for deep integration of industry and finance services	Scale of interest-earning assets serving small and micro enterprises under inclusive finance	Over RMB28.2 billion, representing 63% growth compared to 2024
	New customers served	Over 13,000, representing 37% growth compared to 2024; cumulative total exceeding 30,000
	FEHORIZON Factoring capital deployed	RMB10.5 billion, representing 21% growth compared to 2024
	Yuanhong Yilian revenue	RMB16.8 million, representing 209% growth compared to 2024

5.6 Supplier sustainability management

Far East Horizon is a comprehensive group that spans finance and industry. Its traditional main business, new financial business and industrial operations all involve operational/non-operational procurement from suppliers. The contents of procurement from suppliers mainly include IT, office administration, property logistics, human resources, financial management and other services.

The Group strictly abides by the *Tendering Law of the People's Republic of China*, the *Government Procurement Law of the People's Republic of China* and other relevant laws and regulations. The Group built its procurement and supply management system, adopted the supplier management principles of "centralized management of each category, hierarchical classification, strengthened compliance, checked and balanced process, closed-loop management, and authorization management", and extended from the procurement business operation system to the Group-wide control system for procurement and from non-operational procurement areas to operational procurement areas, penetrating the full procurement and supply process of the Group.

The Group established the *Procurement and Supply Management Measures* and *Supplier Code of Conduct*, adjusting the anti-corruption-related clauses to strengthen supplier integrity management. This revision reinforces the integrity framework at the institutional level, ensuring transparency, fairness, and efficiency in the procurement and supply processes.

Far East Horizon Procurement Management Structure

Procurement and Supply Management Team	<ul style="list-style-type: none"> Composed of designated representatives from the Strategic Centre, Financial Centre, and Operation Centre. Responsible for establishing and improving the Company's procurement and supply management system.
Procurement Demand Department	<ul style="list-style-type: none"> Manage their own procurement needs, evaluating the necessity and reasonableness of procurement demands. Participate in supplier recommendations, sourcing, and initiate supplier onboarding applications. Engage in supplier evaluation and the maintenance of the supplier directory.
Centralized Management Department	<ul style="list-style-type: none"> Oversee the procurement execution process and coordinate the resolution of any exceptional situations. Conduct inspections on procurement matters under centralized management and continuously improve the management system based on the inspection results, forming a management feedback loop.

The Group has always adhered to the concept of sustainable procurement, committed to integrating Environmental, Social, and Governance (ESG) factors into the entire procurement decision-making process. We implement sustainable management of suppliers throughout their entire lifecycle and promote the sustainable transformation of the supply chain.

Far East Horizon Full Lifecycle Sustainable Supplier Management

Supplier Development and Access	<ul style="list-style-type: none"> The Group advocates for green procurement, encouraging departments to select products with environmental and energy-saving certifications (e.g., environmental product certification, energy-saving product certification, Energy Star, etc.) during the procurement process. Before onboarding a supplier, the Company identifies, evaluates, and manages environmental, social, and other risk factors through platforms such as the Qichacha information query platform. Suppliers are required to complete the Third-party Due Diligence Questionnaire, and may establish a business relationship upon approval.
Supplier Cooperation	<ul style="list-style-type: none"> All suppliers are required to sign the <i>Integrity Commitment Letter</i>, agreeing to comply with the Group's compliance and anti-corruption management requirements, and suppliers are encouraged to establish their own integrity and anti-corruption policies. (See the "Business Ethics" section of this report) All employees are encouraged to report any illegal or unethical behaviour by suppliers during the procurement process, such as falsification, bid-rigging, collusion, and commercial bribery.
Supplier Performance Management	<ul style="list-style-type: none"> Establishing a dynamic supplier evaluation system comprising both project-based evaluations and periodic assessments, under which: <ol style="list-style-type: none"> Project-based evaluation applies to procurement matters involving relatively large single purchase amounts, primarily assessing the supplier's service scope, relevant qualifications, and fee quotations. Periodic evaluation applies to all suppliers within the supplier pool, primarily involving regular inspection and assessment of suppliers' qualifications, with the results of such evaluations communicated across the Group.
Supplier Exit Mechanism	<ul style="list-style-type: none"> The suppliers that do not meet standards are required to take corrective actions. If they still fail to meet the required standards after rectification, their qualification will be revoked.



PEOPLE-CENTRED, FLOURISHING TOGETHER

Material topics addressed

Human capital management*

Occupational health and safety

Public welfare and rural revitalization

The UN SDGs aligned

Note: Topics marked with * are financial/double materiality topics covered in this chapter.



6.1 Human Capital Management*

Far East Horizon upholds the development philosophy that “talent is the most valuable asset of Far East”. The Group continuously standardizes employee recruitment and employment practices, and builds a fair, just, and open workplace environment, enhances workforce diversity. While safeguarding employees’ fundamental rights and benefits, it promotes the establishment of an employee care and benefit system.

Governance

The Group strictly complies with the *Labour Law of the People’s Republic of China*, the *Labour Contract Law of the People’s Republic of China*, the *Law of the People’s Republic of China on Promotion of Employment* and other applicable laws and regulations, and draws on the International Labour Organization (ILO) conventions and the United Nations *International Bill of Human Rights* (IBHR). Adhering to the principle of “tiered management and resource sharing” and guided by Far East Horizon’s talent philosophy, the Group strives to ensure compliant employment and workplace equality, and to build a diverse and inclusive workplace environment.

Talent Philosophy of Far East Horizon

A level playing field	Fair, just and open
Regardless of four terms	Regardless of age, length of work experience, length of working at the Group, or academic qualification
A policy of building elite teams	High-calibre employees deliver the best performance and win top-notch returns

The Group has established a human capital management structure overseen by the Chief Executive Officer and coordinated by the Human Resources Department, with sub-departments including the Talent Development Department and Remuneration and Performance Department, Business Support Department, and Shared Operations Department. Through collaborative coordination across subsidiaries and relevant functional departments, the Group systematically advances the implementation of human capital management. The Group has also established a management policy system covering key areas including recruitment, employment, remuneration, performance and training, comprising the *Recruitment Management Measures*, the *Labour and Employment Management Measures*, the *Remuneration Management Measures*, the *Employee Performance Management Measures* and the *Training Management Measures*, providing systematic support for human capital management through a comprehensive institutional framework.

To continuously empower the human resources management team, the Group actively organises relevant personnel to participate in industry sharing sessions hosted by organisations including Mercer, DHR (Digital HR Association) and Shanghai Waigaoqiao Free Trade Zone Human Resources Service, tracking the latest developments and practices in HR management digitalization, labour standards and related frontier topics, ensuring that the human resources management system continues to improve and maintain its leading position in a dynamic environment.

Employee Recruitment and Employment

The Group follows the principle of equal opportunity and strictly follows compliant and lawful recruitment and employment processes to ensure transparent recruitment standards, open procedures, standardized operation, and merit-based selection.

The Group strictly abides by the *Law of the People’s Republic of China on the Protection of Minors*, the *Provisions on Prohibition of Child Labour*, and other laws and regulations, and refers to the conventions of the International Labour Organization (ILO) and other international standards to rigorously verify employee identities and firmly prevent the employment of child labour. The Group also conducts regular checks on employee overtime and work intensity, and strictly prohibits all forms of forced labour. The Group requires all business partners to adhere to labour standards compliant with applicable laws, regulations and international norms, ensuring the effective protection of labour rights and interests, including but not limited to permanent employees, temporary workers, interns, contractors and other business partners. In 2025, the Group did not have any violations related to child labour or forced labour.

Furthermore, with the international development guideline and the development mode with “finance + Industry” as two engines for business growth, the Group has continuously upgraded its talent development strategy. Based on the requirements in the places of business of the Group, the Group has prepared talent policies in both Chinese and English and distributed them to its places of business, to promote communication of employees around the world.

In 2025, based on the business development needs of each of its business pillars, the Group established the “Three Capabilities” competency model and formulated a targeted talent recruitment plan to attract outstanding professionals with these capabilities from across society.

The “Three Capabilities” Competency Model of Far East Horizon



The Group has consistently practised the talent acquisition philosophy of “identifying talent without constraint”. In 2025, the Group focused on four key dimensions, recruitment channel management, recruitment process standardisation, recruitment incentive optimisation and recruitment system upgrades, working in concert to continuously consolidate the foundations of human capital management and build a solid basis for the precise supply of talent.

Far East Horizon’s Key Employee Employment and Recruitment Initiatives in 2025

Aspect	Specific Measures
Recruitment channel management	<ul style="list-style-type: none"> Expand the recruitment channel matrix, leveraging the respective strengths of executive search partnerships, internal referrals and direct talent sourcing, to achieve multi-channel concurrent recruitment and attract outstanding talent widely.
Recruitment process standardisation	<ul style="list-style-type: none"> Define comprehensive process standards and operational requirements covering the full cycle from job posting and CV screening through to multi-round interviews and offer and onboarding, with stringent stage-by-stage controls balancing efficiency and compliance.
Optimisation of recruitment incentives	<ul style="list-style-type: none"> Improve the recruitment incentive mechanism to stimulate enthusiasm for talent acquisition; clarify expense review mechanisms and exercise reasonable and compliant control over recruitment costs, balancing effectiveness and cost efficiency.
Recruitment system upgrade	<ul style="list-style-type: none"> Optimise and streamline the digital management of each recruitment stage, enhancing the standardisation and refinement of recruitment management.

Case

The “Sword Casting Initiative” Graduate Development Programme and Internship Recruitment Drive

The “Sword Casting Initiative” is a program that the Group created in 2005 to recruit and train fresh graduates every year. As an important mechanism for training of reserve talents, it has cultivated numerous elite employees for the Group and even the entire industry. To date, the “Sword Casting Initiative” has trained more than 2,000 outstanding professionals for the Group and the entire leasing industry, earning the reputation of being the “Huangpu Military Academy” of the financial leasing sector.

The Group has formulated the *Workforce Management Measures* in accordance with the actual employment needs of each business segment, conducts intern recruitment in an orderly manner, providing interns with relevant job skills training and remuneration and benefits, helping interns to develop rapidly. In 2025, the Group recruited a total of 49 interns.

Employee Diversity and Anti-discrimination

The Group values workplace equality and diversity, and is committed to building a fair, just and open workplace environment, formulating and strictly implementing policies such as the *Employee Manual*. New employees receive training on the *Employee Manual* to ensure its content is well understood by all staff.

The Group strictly prohibits any form of discrimination based on gender, ethnicity, nationality, religious beliefs, family status, disability, and other factors. Upholding the principle of equal pay for equal work, the Group conducts regular gender pay assessments and analyses to eliminate gender pay disparities and continuously promote workplace gender equality. Meanwhile, the Group actively fosters a diverse and inclusive talent structure, creating a fair and open workplace environment that provides equal development opportunities for employees, contributing to the joint progress of both itself and society.

The Group opposes all forms of discrimination and harassment. The *Employee Manual* and the Company's official website explicitly provide open and transparent complaint channels, encouraging employees to report issues promptly. The Group commits to responding swiftly to every complaint and taking necessary measures to ensure fair and thorough investigations and resolutions. Additionally, the Group strictly protects the privacy of complainants and ensures the confidentiality of related information. In 2025, the Group continued to maintain a fair and respectful workplace environment, with no incidents of discrimination or harassment.

Far East Horizon's Complaint and Reporting Channels

Supervisory email	jiandu@fehorizon.com
Supervision hotline	400-681-8368 ext. 3, 189-1822-8049, 021-58378863

Protection of Employee Rights

The Group attaches great importance to protection of employee rights and benefits. It strictly abides by the *Labour Law of the People's Republic of China*, the conventions of the International Labour Organization (ILO), and the United Nations *International Bill of Human Rights* (IBHR), among other domestic and international laws and regulations. In 2025, the Group updated and published its [Employee Rights and Interests Protection Policy Statement](#) and established standardized policies in areas such as working hours and leave, remuneration and benefits, and labour relations to effectively safeguard all employees' legal rights and benefits. In 2025, the Group continued to build a fair and compliant workplace environment, with no incidents of human rights violations or non-compliance with labour standards occurring.

Employee Employment and Rights Protection Regulations of Far East Horizon

key Aspect	Main Laws, Regulations and Internal Policies Followed	Guarantee Measures
Working hours and leave	<p>Laws and regulations: <i>Regulation on Paid Annual Leave for Employees, Regulation on Public Holidays and Memorial Days, etc.</i></p> <p>Internal policies: <i>Attendance and Leave Management Rules, Attendance and Leave Management Measures, etc.</i></p>	<p>Working hours: The Group implements the standard practice of 40 working hours per week.</p> <p>Leave management: Paid annual leave, marriage leave, bereavement leave, maternity leave, paternity leave, parental leave, sick leave, caregiving leave and other types of leave are provided. Female employees are entitled to 60 days of maternity leave; male employees are entitled to 10 days of spousal paternity leave; all employees are entitled to five days of paid parental leave, calculated cumulatively based on the number of children.</p>
Remuneration and benefits	<p>Laws and regulations: <i>Measures for Enterprise Wage Payment in Shanghai, etc.</i></p> <p>Internal policies: <i>Remuneration Management Measures, Management Measures for Dispatched Employees' Benefits, etc.</i></p>	<p>Benefit protection: The Group provides social security insurance, housing provident funds, supplementary medical insurance, family property insurance and commercial insurance for all employees (including permanent employees, part-time employees, and contractors).</p> <p>Remuneration system: The Group implements performance-based remuneration and incentive scheme free of regional or gender discrimination. Ensuring that base salaries exceed the local minimum wage standards.</p>

In 2025, drawing on applicable legal and regulatory requirements and the actual circumstances of each operating location, the Group optimised and adjusted leave arrangements including annual leave, sick leave and maternity leave, improved the paid leave mechanism, and built a more competitive leave and benefits system, comprehensively enhancing employees' sense of fulfilment and satisfaction.

The Group is committed to fostering an open, transparent, and trusting workplace environment. It has lawfully established diverse employee communication channels to safeguard employees' freedom of association, collective bargaining rights, and democratic participation. By implementing democratic election, decision-making, management, and supervision mechanisms, the Group ensures that employees' legal rights and benefits are fully expressed and protected.

Far East Horizon's Employee Communication Channels and 2025 Operations

Channel	Frequency	Operating Status in 2025
The CEO mailbox	Real-time receipt	<ul style="list-style-type: none"> Maintained open communication channels on an ongoing basis throughout the year, continuously receiving employee opinions and suggestions.
The platform for reasonable proposals		
Employee and labour union member representative assembly	Convened regularly each year	<ul style="list-style-type: none"> Strictly followed the principles of fairness and impartiality. Convened regular meetings to hear employee opinions and provide timely feedback. In 2025, reviewed and approved 16 policies including the <i>Remuneration Management Measures</i> and <i>Employee Performance Management Measures</i>.
Employee satisfaction survey	Conducted once every year	<ul style="list-style-type: none"> Survey content covers work rewards, talent development, leadership effectiveness, cultural vision and organisational empowerment. In 2025, the composite employee engagement/satisfaction score was 74.7%, with an employee participation rate of 98%; the "organisational empowerment" dimension showed notable room for improvement. Based on survey results, optimised organisational structure and collaboration mechanisms, advanced the iterative upgrading of systems and processes, and introduced AI automation tools to comprehensively improve work efficiency. Improvement outcomes are tracked through the annual survey mechanism.

Employee Care and Activities

Far East Horizon upholds a corporate culture that advocates "one family", implements employee care, and has long provided assistance, benefits, care and support to employees in need and their family members. With a people-oriented approach, the Group advocates work-life balance, by providing employees with all sorts of sports activity spaces and physical and mental health security, enhancing employees' sense of well-being and sense of belonging and creating. The Group is committed to fostering a warm, harmonious, and dynamic workplace atmosphere.

Employee Care Actions and Achievements of Far East Horizon in 2025

Care for female employees	<ul style="list-style-type: none"> • Launching the "Mommy's Hut" program and continuously refining the functions of Mommy's Hut in terms of hardware and software to provide a private, sanitary, safe, and cozy resting place for pregnant and breastfeeding employees. • Having regularly organized screening for gynecologic conditions for female employees for many consecutive years, as a move to take good care of their physical conditions in all aspects. • All female employees are entitled to maternity leave, parental leave and other leave entitlements. In 2025, a total of 991 person-times took parental leave and 64 person-times took maternity leave, with cumulative leave days totalling 7,127.5 days.
Caring visits to employees and their family members	<ul style="list-style-type: none"> • Giving gifts to in-service employees of the Group when they celebrate a marriage or have a child. In 2025, approximately RMB63,000 was invested, covering a total of 67 employees. • Offering various subsidies, including high-temperature allowances and Spring Festival bonuses, as well as parental support allowances for employees' parents during the Spring Festival. In 2025, a total of RMB3,144,500 was allocated, benefiting 4,455 employees.
Living allowances for employees	<ul style="list-style-type: none"> • Giving assistance to employees who had an accident. In 2025, RMB195,900 of such assistance was given to 44 employees. • Providing public rental housing for young employees. • The "Subsidized Housing Program" was rolled out to provide employees with interest-free loans and subsidies for the purchase of their own homes, in an effort to solve their housing problems in a targeted manner.
Physical and mental well-being	<ul style="list-style-type: none"> • Integrating advantaged resources in health examination and insurance, fitness clubs, diet, medical treatment, etc. and strengthening online and offline interaction and communication, to form "one-stop protection service solutions" that cover the whole life cycle of employees. • Organizing employee insurance-related training (online and offline), exclusive services for the employees' health check season, and healthy lifestyle lectures, purchasing commercial supplementary medical insurance for employees, and providing exclusive health protection. • In addition to an employee counselling program prepared in the earlier stage, continuously deepening an employee assistance program (EAP) centred on mental health, so as to help employees identify and solve their emotional and mental health issues as early as possible. In 2025, psychological counselling and guidance was provided to 118 person-times in total.
Cultural and sports activities	<ul style="list-style-type: none"> • Having established eight associations, including Basketball Association, Football Association, and Badminton Association. • Providing sports facilities such as gymnasiums to encourage employees to actively take part in fitness sports.

Professional Training of Employees

The Group places great importance on talent development, building a systematic talent pipeline encompassing comprehensive succession planning and multi-tiered training programmes, with training resources extended to all categories of employees. The Group continuously optimizes its training system to help business experts establish a professional and trustworthy business partner image, while improving their ability to provide comprehensive customer service. Training is delivered through various formats, including online livestream sessions, offline workshops, and external courses, focusing on integrated product knowledge. These programs aim to enhance employees' cross-disciplinary communication skills and global perspectives.

Talent Training System of Far East Horizon



Far East Horizon's Key Employee Training Initiatives and Outcomes in 2025

Training Type	Actions and Results
"Far East Academy" online learning platform	<ul style="list-style-type: none"> Continued to advance the full digitalization of the talent development process and the one-stop application of all learning scenarios, further realising the functional value of the training platform. The "Far East Academy" cumulative course library reached 1,416 courses, with 363 new courses added in 2025, covering professional courses in Group general management, functional department professional support, traditional financial business, inclusive finance business, FEHORIZON Asset Management and overseas business. Total cumulative platform learning engagements for the year reached 39,226 person-times.
Business expert training	<ul style="list-style-type: none"> Organised six training sessions around the theme of "three transformations and two services", of which two sessions focused on product and service topics and four incorporated specific case studies for business sharing. Cumulative participation exceeded 3,000 person-times. Supported business experts in developing a professional and trustworthy partner image.
Professional qualification certification	<ul style="list-style-type: none"> Continued to implement the <i>Management Standards on Employees' Certification of External Professional Qualification</i> and related policies, encouraging all employees to study independently and obtain authoritative professional qualification certifications from national ministries and commissions, national industry associations and international industry associations. For employees who have obtained certifications, the Group provides educational subsidies to support them in improving their job skills and broadening career development paths. Education subsidies totalling RMB43,898.52 were distributed to 29 employees.
Leadership development	<ul style="list-style-type: none"> Carried out a targeted capability enhancement programme for the MD population in its traditional financial business and, by drawing on external professional resources and combining team coaching workshops with one-to-one coaching, helped managers in the traditional financial business improve their leadership effectiveness.
Postdoctoral training	<ul style="list-style-type: none"> Established a joint postdoctoral training platform with Tianjin University of Finance and Economics to drive the deep integration of industry, academia and research, with a commitment to creating a high-quality, multidisciplinary talent incubation hub. Jointly trained one postdoctoral researcher with Tianjin University of Finance and Economics.



Joint Postdoctoral Training Thesis Proposal Defence

Employee Compensation, Performance, and Promotion System

The Group aims to support employees' career development by strictly implementing the *Remuneration Management Measures* and the *Employee Performance Management Measures*, and establishing a comprehensive system that covers performance management, incentives, and promotions. Through a fair performance evaluation system, the Group ensures that employees have equal promotion opportunity and market-competitive compensation, continuously stimulating organizational vitality and talent potential.

Employee Performance Appraisal and Promotion System of Far East Horizon

Performance management	<ul style="list-style-type: none"> The Group continuously implements a closed-loop performance management system, which consists of preparation of performance plans, in-process performance management, annual performance appraisal, performance interviews and feedback, and application of performance results. The Group has decomposed performance targets at various levels, and constructed a performance indicator framework based on the value positioning of different employees. The performance framework includes all employees across different levels, such as senior executives, primary-level managers, and general employees. The performance appraisal management frequency of the Group is no less than twice a year, and the appraisal methods include management by targets, multi-dimensional performance appraisal, agile dialog and team performance appraisal, etc. The Group adjusts the performance evaluation dimensions and sets the indicator framework based on the value positioning of different employees.
Complaints about employee performance appraisal results	<ul style="list-style-type: none"> The Group has set up special complaint channels including an open mailbox and a telephone line and assigned special personnel to deal with employee complaints about the compliance of the performance result-generating process and conduct independent investigations. The Group keeps employees' identity information strictly confidential in the process of complaint response and investigation and prohibits any retaliation or discrimination against the employees who lodge complaints.
Employee promotion	<ul style="list-style-type: none"> The Group has established a value contribution-oriented talent development mechanism that allows for upward and downward mobility. Most managers are selected from employees across the Group through open competitions. For the same management position, employees who have performed well enough to meet the selection criteria all have the opportunity to participate in the recruitment process. More than 60% of managers in total have been recruited through open competitions at the Group.
Remuneration management	<ul style="list-style-type: none"> The Group has established a variable remuneration system with a diversified incentive structure, which includes modules such as position salary, job grade performance salary, and retention bonuses. Based on dimensions such as employee performance results, value alignment, attendance records, and disciplinary performance, the compensation and incentives are dynamically adjusted to strengthen the positive correlation between compensation and contribution, thereby promoting the mutual advancement of individual value and organizational development.

The Group has established and improved its medium- and long-term incentive and constraint mechanism, and has set up an equity incentive plan covering key management personnel who have been rigorously selected by the Company, who bear core responsibility for the Company's long-term strategy, and who are deeply aligned with the Company's sustainable development targets. This fully motivates management, attracts and retains outstanding management talent, and incentivises employees to create value through innovation.

Metrics and Targets

Guided by the "Three Capabilities" competency model, the Group coordinates internal transfers and external recruitment and continuously optimises talent introduction and allocation. In 2025, the Group benchmarked against the *Program for the Development of Chinese Women (2021–2030)* and set a diversity target of "female employees comprising no less than 40% of the workforce", with regular tracking and analysis of employee diversity composition.

The Group also provides competitive development pathways and incentive plans and builds a capabilities growth ecosystem through Group-wide training coverage, the deepening of digital learning and a closed-loop effectiveness assessment process, driving the enhancement of human capital value.

Far East Horizon's 2025 Human Capital Management Performance

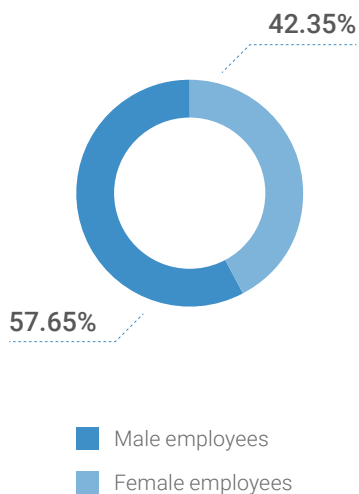
Employee Recruitment Performance

In 2025, the Group:

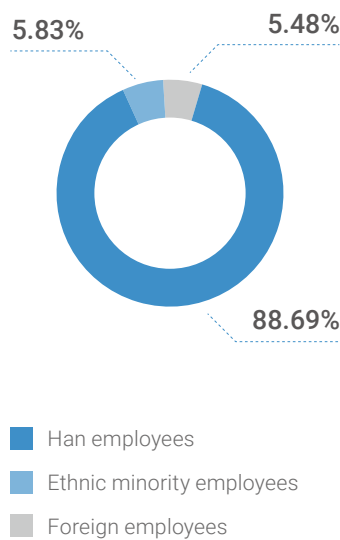
- Facilitated the participation of **412** individuals in competitive recruitment for vacant positions through the internal candidate selection mechanism.
- Hired **7,303** employee through social recruitment.

Workplace Inclusion and Diversity Performance

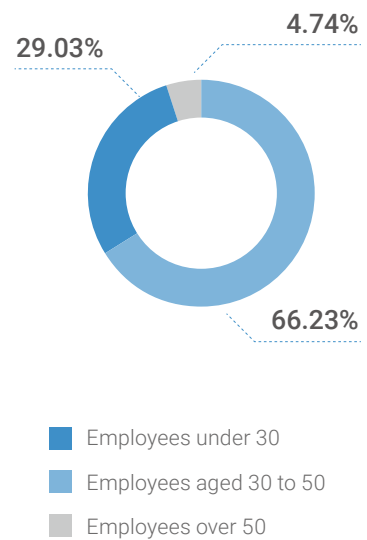
Proportion of employees by gender



Proportion of ethnic minority employees



Proportion of employees by age



Inclusiveness

- A total of **141** employees with disabilities are employed.

Protection of Employee Rights Performance

Diversity

- Gender diversity: Female new hires totalled **1,697**, representing **23.24%** of all new hires.
- Industry diversity: Recruited talent comes from various sectors, including leasing, banking, trusts, securities, and funds within the financial industry, as well as the automotive, real estate, and mechanical electronics industries.

Protection of Employee Rights Performance

In 2025, the Group

- In 2025, the Group's employee engagement survey result was **74.7%**, with overall positive feedback from employees.

Protection of Employee Rights Performance

In 2025, the Group

- Invested RMB**17.55** million in training expenditure.
- Achieved an average training duration of **38.19** hours per employee in the financial segment and **33.83** hours per employee in the industrial segment.

Employee Remuneration and Promotion Performance

In 2025, the Group

- Conducted open competitive recruitment for **273** management positions.
- Granted equity incentives to a total of **96** recipients, comprising share options over **34,521,086** shares and restricted shares of **51,781,630** shares.

6.2 Occupational Health and Safety

The Group has always paid close attention to the substantive safety and health appeals of employees. It deems Health, Safety and Environment (HSE) management as an important pillar of its sustainable development.

In 2025, the Group updated and published its [Health, Safety, and Environment \(HSE\) Policy](#), explicitly defining the scope of application as encompassing all Group employees, including contract workers and all personnel working at Far East Horizon's premises or carrying out tasks on behalf of the Company on behalf of suppliers. The policy extends to all operational activities, workplaces and business processes, effectively ensuring the safe and compliant management of the Group.

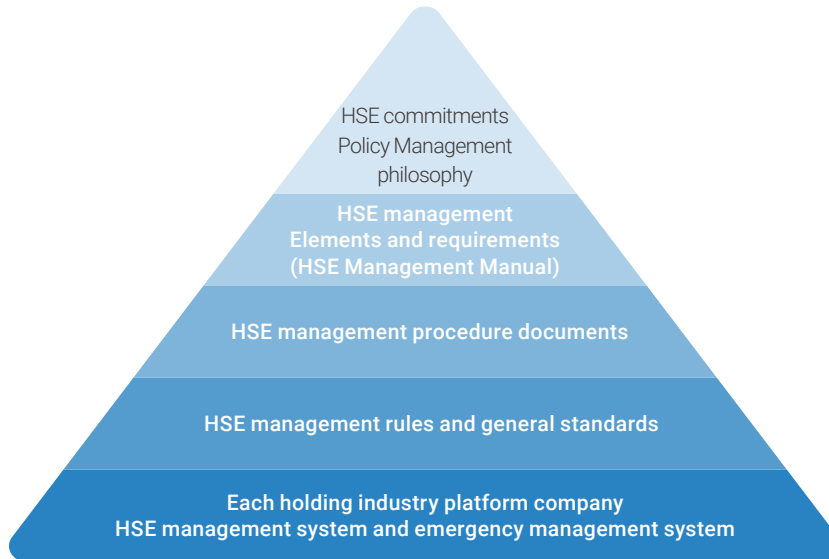
The Group adopts a hierarchical and tiered approach to risk control, continuously improving the HSE responsibility framework to enhance the effective execution of HSE management.

HSE Responsibility Structure of Far East Horizon

Second level supervision entity	Far East Horizon: ESG Committee under the Board of Directors				
	Execution department: ESG Task Force				
First level supervision entity	Administration Centre HSE post of Integrated Management Department	CDHORIZON HSE post of HSE Management Department of Operation Centre	FEHORIZON Asset Management HSE post of Project Management Centre	Horizon Healthcare HSE team of Engineering Property Management Centre	Hongwen School Safety post of Logistics Support Department
First level operating entity	Far East Horizon Plaza Xangyuan Farm	Horizon Equipment Hongjin Equipment	SPV 1 SPV 2 SPV n	Hospital 1 Hospital 2 Hospital n	Qingdao Hongwen

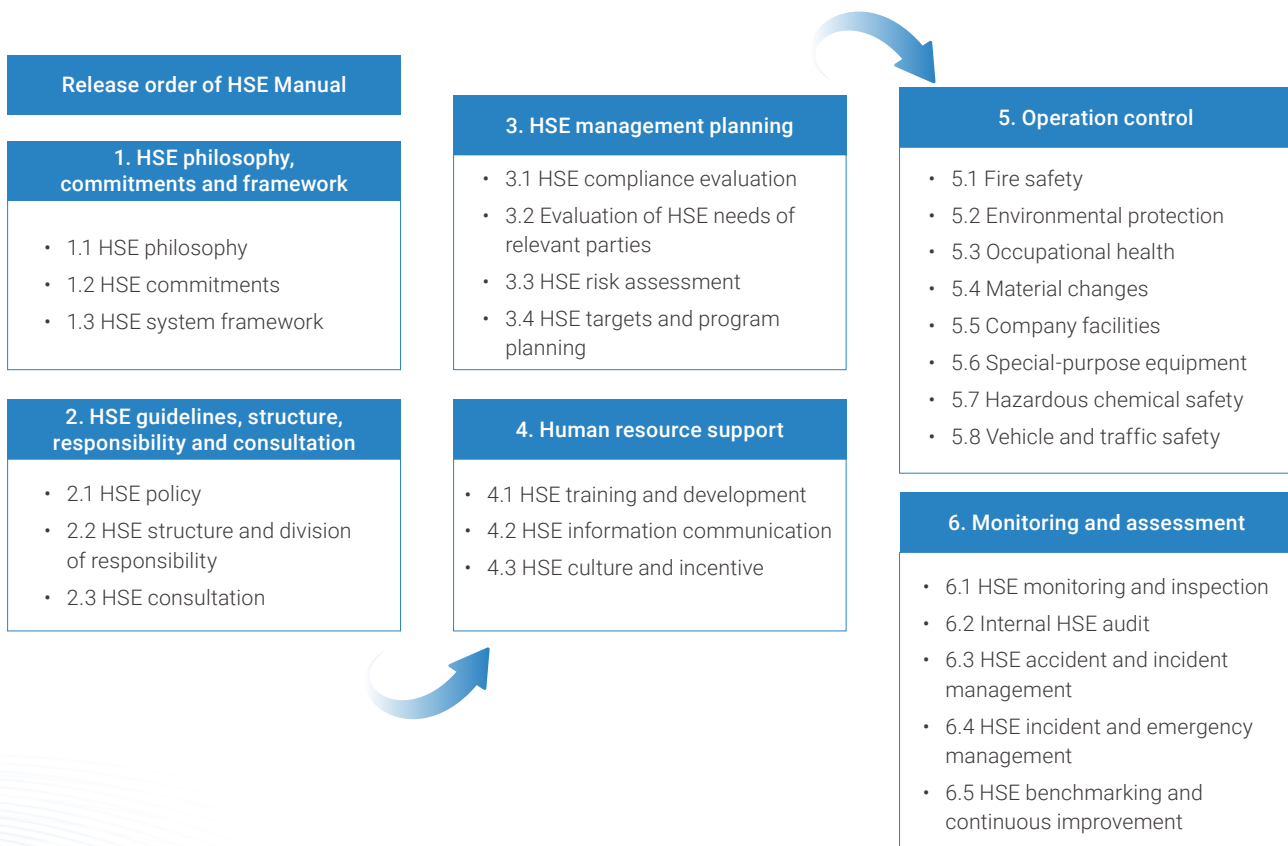
The Group upholds the HSE guidelines of "dual responsibilities of one post, all-employee involvement, risk management, focus on accident prevention, and continuous improvement" and has continuously refined the top-level management architecture for HSE, to provide escorts for the production, operation and steady implementation of strategies of the Group.

HSE Management Framework of Far East Horizon



In 2025, the Group continued to advance the implementation and execution of the HSE Manual, and fully considered employees' actual working environments and business scenarios. The Group organized discussions and revisions involving the management and worker representatives or the labour union on specific issues to effectively enhance HSE management.

HSE Manual of Far East Horizon



To ensure that HSE risk control in all business operations meets the minimum reasonable and feasible requirements, the Group mandates that all units conduct HSE risk assessments for their operations in a systematic and standardized manner, and clearly defines corresponding risk control measures and responsible departments.

HSE Risk Assessment Mechanism of Far East Horizon

- Identifying and assessing HSE risks of prospective customers, and incorporating evaluation results as key factors in project decision-making.
- Conducting HSE due diligence, assessing the actual level of HSE risk control in projects, and evaluating the resources required for remediation.
- Developing HSE risk control plans, including reports such as the *Environmental Impact Assessment Report for Construction Projects*.
- Conduct regular internal audits of occupational health and safety, with tracking and management carried out through the safety management information system.

In 2025, Far East Horizon Plaza continued to strengthen occupational health and safety management, comprehensively enhancing the level of safety protection across the premises through a combination of technical and human-based preventive measures. In terms of intelligent security, AI-powered behavioural analysis cameras and thermal imaging monitoring systems were introduced to enable real-time warnings of personnel behaviour and vehicle temperature anomalies; perimeter monitoring coverage across the premises was simultaneously strengthened, and 24-hour staffing of the fire control room was maintained to build a robust safety protection network. In terms of emergency management, a dedicated fire emergency response mechanism was established for new energy vehicles, additional micro fire stations were installed, and fire drill plans were revised and improved; through regular drills, employees' emergency response capabilities were enhanced and comprehensive employee safety was ensured.

In 2025, the Group continued to deepen the development of Group-wide safety awareness and emergency response capabilities. Far East Horizon Plaza strengthened employees' safety awareness and their ability to respond to emergencies through themed education and awareness activities during "Work Safety Month" and "Fire Safety Awareness Month", as well as through emergency drills covering multiple scenarios.

In 2025, Far East Horizon Plaza

- Conducted **2** safety education and training sessions, with a total of **103** person-times participating.
- Organised **13** emergency drills for employees, covering fire evacuation, counter-terrorism and anti-violence, and sprinkler pipe burst scenarios.

In 2025, the Group continued to follow the HSE target of the Group of "no major HSE accidents or major violations" and advanced the implementation of the target by improving the management system, preventing safety risks and deepening the safety culture. The Group, in 2025, reported neither major work safety accidents that caused serious injury or death nor occupational disease-related accidents.

Within its three major industry operations, the Group tailored its occupational health and safety management efforts to the specific characteristics of each sector. For details, please refer to the "Safe Production", "Healthcare Facility Safety", and "Campus Education and Safety" sections in the "Special Reports of Three Industries".

6.3 Public Welfare and Rural Revitalization

Far East Horizon adhered to the public benefit philosophy of “showing big love through small good deeds” and actively fulfilled its corporate citizen responsibilities. It carried out the requirements of the central government on rural revitalization and public benefit, and relying on Beijing Horizon Charity Foundation and Shanghai Horizon Charity Foundation (collectively known as “Horizon Charity Foundation”), it participated in and promoted, through professional operation, the development of public welfare and charity undertakings.

Horizon Charity Foundation mainly participated in the transition from consolidating the achievements in poverty alleviation to implementing the strategy of rural revitalization and continuously paid attention to the development of the Chinese medical cause and cultivation of higher education talent, contributing its bit to the sound development of public welfare undertakings.

About Horizon Charity Foundation

Name	Beijing Horizon Charity Foundation	Shanghai Horizon Charity Foundation
Date of establishment	17 January 2014	10 June 2015
Registered capital	RMB2 million	RMB2 million
Business scope	Scholarships and fellowships for students, poverty alleviation, disaster relief, volunteer activities, etc.	Disaster relief, poverty alleviation, grants for poor students, scholarships for excellent students, volunteer activities, etc.

In 2025, Horizon Charity Foundation focused on rural revitalization, scholarships and fellowships, medical aid, and volunteer activities. The foundation allocated RMB3.989 million across various public welfare initiatives, benefiting over 20,000 people.

Key Public Welfare Projects of Horizon Charity Foundation in 2025

Public Welfare	Key Projects
Rural revitalization	<ul style="list-style-type: none"> • “Moving Classroom” study program for children • “Qianlicao Aid Program” study assistance and teaching support
Scholarships and fellowships	<ul style="list-style-type: none"> • Horizon scholarships and fellowships
Medical Aid	<ul style="list-style-type: none"> • Far East Horizon “United Hearts” Healthcare Support Initiative • Budding Hearts – Art Therapy and Psychological Growth Programme
Volunteer services	<ul style="list-style-type: none"> • Chongming Island Left-Behind Children Public Welfare Volunteer Programme

In 2025, the Horizon Charity Foundation remained true to its founding philosophy of “accumulating small acts of kindness to manifest boundless compassion” and contributed to China’s public welfare sector through concrete action, receiving widespread recognition from all sectors of society. In 2025, Horizon Charity Foundation received eight awards and honorary certificates.

Awards and Honours Received by Horizon Charity Foundation in 2025

Award Name/Type	Issued by	Received by
Antai Siyuan Talent Cultivation and Inheritance Award	Shanghai Jiao Tong University	Shanghai Horizon Charity Foundation
“Gratitude for Your Support” Award	Shanghai University of Finance and Economics	Shanghai Horizon Charity Foundation
Certificate of Appreciation	Shenzhen Charity Federation	Shanghai Horizon Charity Foundation
Honorary Certificate	Yongcheng Civil Affairs Bureau; Yongcheng Charity Federation	Shanghai Horizon Charity Foundation
Honorary Banner	Nanguan Village, Chongfasi Sub-district, Yongcheng City	Shanghai Horizon Charity Foundation
Honorary Banner	Jiefang Community	Shanghai Horizon Charity Foundation
Honorary Banner	Daling Villagers’ Committee, Beizhuang Town, Miyun District, Beijing	Beijing Horizon Charity Foundation
Honorary Banner	A school in Mentougou District, Beijing	Beijing Horizon Charity Foundation

Rural revitalization

In 2025, guided by the national rural revitalization strategy, Horizon Charity Foundation focused on “Cultural Revitalization”, “Educational Revitalization”, and “Industrial Revitalization” to conduct its public welfare projects. The Foundation continued its series of initiatives aimed at supporting rural education and rural industrial development, including the “Moving Classroom” study program for children and the “Qianlicao Aid Program” and the “Horizon Emergency Pioneer, Miyun Daling Hardy Kiwifruit Post-disaster Production Recovery” project.

Case

“Moving Classroom” Study Program for Children

In 2025, the Horizon Charity Foundation organised the “Moving Classroom” Children’s Study Tour and Practice Activities, focusing on the Kuitun and Dushanzi areas of Xinjiang, designated as paired assistance targets for Beijing’s charitable endeavours. Sixty children and young people from southern Xinjiang were specially invited to embark on a journey of extraordinary personal growth.



The “Moving Classroom” initiative, using study tours and practical activities as its vehicle, successfully provided young people from southern Xinjiang with a platform to broaden their horizons, expand their knowledge, and deepen their sense of cultural identity and national confidence. The activity inspired the children with strong motivation to study diligently, develop their hometowns and serve their country, guiding them to aspire to become new-era individuals capable of shouldering the responsibility of national rejuvenation, and to contribute their youthful energy to building a beautiful new Xinjiang and realising the Chinese Dream of the great rejuvenation of the Chinese nation.

Case

The “Qianlicao Aid Program”

The “Qianlicao Aid Program” has been running continuously for nine years since its inception in 2016. During the summer of 2025, the Horizon Charity Foundation organised over 30 university student volunteers into four project teams, who travelled to remote rural villages in Longnan and Baiyin, Gansu Province, bringing not only knowledge but also new concepts in educational support.



The project is grounded in the philosophy of “livelihood support + learning guidance + character development + civic education + psychological counselling + growth planning”, building a comprehensive and multi-dimensional student assistance model. In terms of daily life, volunteers visited children’s homes, delivering essential supplies along with care as warm as that of family members; in terms of learning, they patiently tutored children in their schoolwork, using innovative teaching methods to inspire the children’s thirst for knowledge.

Case

“Horizon Emergency Pioneer, Miyun Daling Hardy Kiwifruit Post-disaster Production Recovery” Project



During the 2025 flood season, Daling Village in Beizhuang Township, Miyun District, Beijing, was struck by sustained heavy rainfall. Preliminary estimates indicated that over 8,000 hardy kiwifruit plants were directly affected. The rainfall not only severely impacted fruit quality and marketability, but also dealt a significant blow to the livelihoods of over 100 households in the village and to the sustained development of the village’s collective economy.

The Horizon Charity Foundation launched the “Horizon Emergency Pioneer, Miyun Daling Hardy Kiwifruit Post-disaster Production Recovery Project”, giving thorough effect to the national strategy’s requirements for combining industrial assistance with emergency relief in disaster prevention, mitigation and response and rural revitalization. Through targeted industrial relief, the project made a positive contribution to the vivid practice of the rural revitalization strategy in the Beijing suburban area.

Scholarships and fellowships

As a public welfare project of Horizon Charity Foundation that supports the high-quality development of national education, the Horizon Scholarships and Fellowships Project aims to help poor students with good academic performance to relieve their financial pressure, motivate outstanding students to study diligently and effectively support the development of education.

Case

Horizon Scholarship Supporting Academically Outstanding University Students

In 2025, the Horizon Charity Foundation continued to increase its efforts in the field of university public welfare, with the geographic reach of the scholarship programme expanding further.



Horizon Scholarship Group Photo

Over the course of the year, the Horizon Charity Foundation established scholarship programmes at a cumulative total of 11 well-known domestic universities, covering both comprehensive universities and specialist institutions in engineering, maritime, finance and economics and other disciplines, with the aim of benefiting outstanding students across a wider range of academic fields. In terms of financial investment, the Foundation's annual total public welfare expenditure exceeded RMB1.3 million, directly benefiting over 130 students, with the aim of providing tangible financial support to reduce the burden of their studies and encourage them to devote themselves wholeheartedly to their academic and research pursuits.

Medical aid

The Horizon Charity Foundation has consistently upheld its mission of giving back to society, with long-term deep engagement in the areas of people's livelihoods protection and charitable assistance. The Far East Horizon "United Hearts" Healthcare Support Initiative, as a flagship brand programme, is dedicated to breaking down barriers between quality medical resources and grassroots needs, and through systematic resource integration and targeted assistance, substantially alleviating the medical burden on disadvantaged groups and improving the overall level of healthcare services in the areas assisted.

Case

Far East Horizon "United Hearts" Healthcare Support Initiative

The Horizon Charity Foundation's Far East Horizon "United Hearts" Healthcare Support Initiative differs from traditional single-funding assistance models in its greater emphasis on the sustainable assistance philosophy of "providing aid" alongside "building capacity". The programme invites leading specialists from top-tier tertiary hospitals in Shanghai and other cities to deliver services at county-level and township hospitals, conducting in-depth exchange activities including teaching ward rounds, surgical demonstrations, specialised lectures and case study discussions, bringing advanced medical concepts, standardised diagnostic and treatment techniques and frontier disciplinary knowledge to the grassroots level.



Far East Horizon "United Hearts" Healthcare Support Initiative

The "United Hearts" Healthcare Support Initiative, through face-to-face knowledge transfer, has effectively enhanced the professional skills and clinical thinking of local medical personnel, leaving behind a medical team that "cannot be taken away" in the assisted areas, fundamentally strengthening the "capacity-building" function of grassroots healthcare services.

In addition, the Horizon Charity Foundation also attends to social mental health issues, supporting post-disaster psychological assistance work through targeted donations, whilst vigorously promoting innovative psychological intervention approaches such as art therapy, bringing professional and compassionate mental health support to those facing hardship.

Case

“Horizon Emergency Pioneer, Emergency Relief for the Shigatse Dingri County Earthquake” Project

Through long-term public welfare practice, the Horizon Charity Foundation has developed its “Horizon Emergency Pioneer” flagship programme, committed to arriving at the scene of major disasters at the earliest opportunity and delivering Horizon’s warmth. The programme encompasses not only early emergency relief but also attention to post-disaster psychological healing and reconstruction support.



“Horizon Emergency Pioneer, Emergency Relief for the Shigatse Dingri County Earthquake” Project

A magnitude 6.8 earthquake struck Dingri County, Shigatse, Tibet. The Foundation swiftly activated its emergency response, making cumulative donations of RMB100,000 to support the disaster-affected area. Of this amount, RMB30,000 was directed through the Shanghai Charity Foundation as a targeted donation for emergency rescue and the resettlement of displaced residents; RMB70,000 was invested directly in post-disaster reconstruction, focusing on helping affected families repair their homes and acquire household necessities, supporting the disaster area in restoring normal production and daily life. The Horizon Foundation consistently integrates charitable public welfare into its corporate development philosophy, giving practical expression to the traditional virtue of “when one is in need, all come to their aid”, bringing warmth and hope to disaster-affected communities.

Case

Budding Hearts – Art Therapy and Psychological Growth Programme

During the Beijing-Hebei flood season, the Horizon Charity Foundation launched a “Comfort and Healing Project for Vulnerable Groups”, investing over RMB110,000 in funding. Using art therapy as its entry point and integrating compassionate companionship, popular science lectures, practical activities and employment support, the programme provided comprehensive assistance, from psychological counselling through to livelihood empowerment, helping vulnerable groups rebuild confidence and reintegrate into society.



Budding Hearts – Art Therapy and Psychological Growth Programme



Volunteer services

Horizon Charity Foundation, in accordance with the *Charity Law of the People's Republic of China*, the *Volunteer Service Regulations*, the *Beijing Volunteer Service Promotion Regulations*, and the *Shanghai Volunteer Service Regulations*, has established the *Volunteer Service Information Management Guidelines of Horizon* and the *Horizon Volunteer Activity Handbook*. The Foundation continues to improve its volunteer service management mechanism, encouraging more volunteers to participate in charity activities.

In 2025, Horizon Charity Foundation followed its planned path by recruiting volunteers through the website, promoting activity information, and conducting regular training for volunteers, calling on employees and charity volunteers to actively participate in public welfare activities and enhancing their emergency response capabilities.

Case

Chongming Island Left-Behind Children Public Welfare Volunteer Programme

In early autumn 2025, the Horizon Foundation organised a community public welfare activity with employee volunteers, leading primary school students from Chongming Island on a visit to an art exhibition at the M50 Creative Park on the banks of Suzhou Creek. Accompanied by volunteers, the children tried their hand at artistic replication and creation, experiencing the joy that art can bring.

This activity represented a concrete practice by the Horizon Foundation in the fields of community relations and children's arts education, striving to broaden the children's horizons through such interactive experiences and to sow in their hearts the seeds of appreciation for art and beauty.



Chongming Island Left-Behind Children Public Welfare Volunteer Programme

GOVERNANCE





GOVERNANCE

GOVERNANCE INNOVATION AND RESILIENCE ASSURANCE

Material topics addressed

Corporate governance*

Compliance operations*

Risk and crisis management*

Business ethics*

The UN SDGs aligned

Note: Topics marked with * are financial/double materiality topics covered in this chapter.



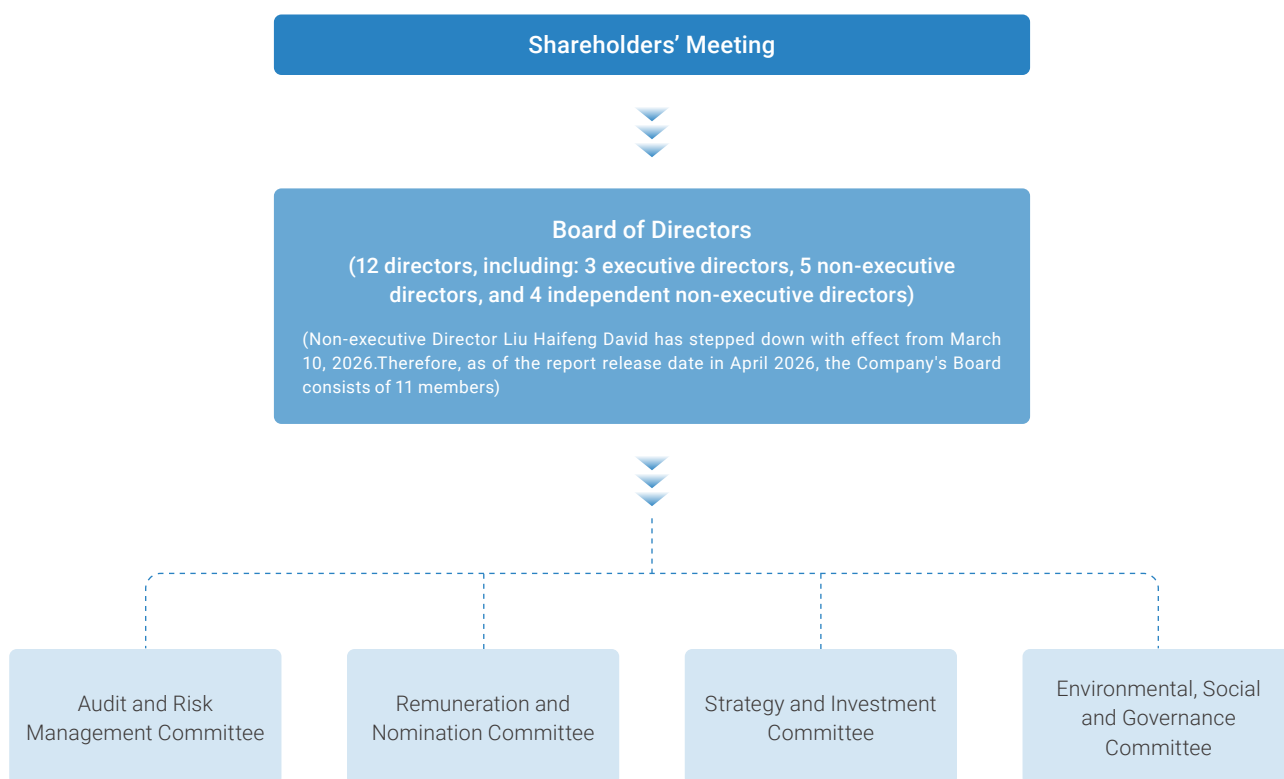
7.1 Corporate Governance*

Governance

Far East Horizon has set a governance structure consisting of the Board of Shareholders, the Board of Directors, and the Management in accordance with the Hong Kong's pertinent laws and regulations such as the *Companies Ordinance*, the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited*, and the *Hong Kong Securities and Futures Ordinance*, as well as the pertinent normative documents, and has optimized its organizational structure and defined the segregation of responsibilities to improve the duty-performance efficiency of governance entities and to maximize and balance the interests of all parties.

The Company has formulated the *Articles of Association*, the *Information Disclosure Management Measures*, the *Investor Relations Management Measures* and the *Transactions Management Measures* and other related policies, driving the deep alignment of its institutional framework with the regulatory guidance of HKEX and other regulators, and providing robust assurance for the Company's standardised operations and governance effectiveness.

Corporate Governance Structure of Far East Horizon



Duty Performance by Governance Entities of Far East Horizon in 2025

Shareholders' Meeting	Regulated Operations	<ul style="list-style-type: none"> • The Shareholders' Meeting is the highest authority of the Company. The Company strictly convenes and holds the Shareholders' Meeting in accordance with the Articles of Association and other relevant regulations and requirements, and applies the "one share, one vote" principle, to ensure that all shareholders, especially minority shareholders, are treated equally and can fully exercise their legitimate rights. • In 2025, the Company held one Shareholders' Meeting, during which 12 resolutions were reviewed and approved.
	Election Validity	<ul style="list-style-type: none"> • Directors of the Company are elected or replaced by the Shareholders' Meeting for a term of three years. Upon the expiration of a director's term, they may be re-elected for consecutive terms. The Remuneration & Nomination Committee of the Board of Directors, composed of one non-executive director and two independent non-executive directors, will propose director candidates to the Board in a timely manner. In the case of temporary director appointments, the Board will propose candidates to be elected or replaced by the Shareholders' Meeting, and in principle, the appointment of directors will be carried out through a single resolution. • In 2025, the Company appointed a Lead Independent Non-Executive Director to strengthen the independence of the Board and the decision-making effectiveness of independent directors.
Board of Directors	Effective Performance	<ul style="list-style-type: none"> • The Company has a Board of Directors that is accountable to the Shareholders' Meeting. The Board of Directors has four specialized committees, each with its own working rules, and each committee performs its duties to promote the efficient, scientific, and regulated operation of the Company. • In 2025, the Company held: <ul style="list-style-type: none"> ▸ Four meetings of the Board of Directors, reviewing or hearing a total of 16 proposals and reports, with a director attendance rate of 94%. ▸ 6 meetings of various specialized committees under the Board of Directors, including four meetings of the Audit and Risk Management Committee and two meetings of the Remuneration and Nomination Committee. • The Company continues to optimise and improve the director performance evaluation system, deepening and refining the evaluation dimensions and content. Regular comprehensive reviews are conducted to assess each director's contributions in fulfilling their responsibilities to the Company. An independent evaluation mechanism is also established to identify strengths and areas for improvement in the Board's work, thereby providing guidance for the personal growth of directors and the further development of the Board's overall functionality.
	Board Diversity and Professionalism	<ul style="list-style-type: none"> • The Company has formulated the <i>Board of Directors Member Diversity Policy</i>, considering factors such as gender, age, ethnicity, cultural and educational background, professional experience, skills, and service tenure when electing Board members, ensuring that the Board has a balanced and diverse set of skills, experience, and perspectives. • By the end of 2025, the Company's Board consisted of 12 directors, including those with expertise in accounting or finance, legal qualifications, financial investment experience, or industry experience relevant to the Company. This included four independent non-executive directors and one female director.
	Performance Evaluation and Incentive/Constraint Mechanisms for Directors, Supervisors, and Senior Management	<ul style="list-style-type: none"> • All members of the Remuneration and Nomination Committee are non-executive directors. In exercising their authority, they fully consider factors such as industry compensation levels, individual performance, and the achievement of strategic targets when assessing and adjusting the performance evaluation system and salary management system for senior management. These adjustments are submitted to the Board and Shareholders' Meeting for approval. • The Company has formulated a clawback mechanism applicable to long-term equity incentives. The clawback mechanism provisions are explicitly set out in equity incentive grants made each year, with trigger conditions including but not limited to dishonesty or serious misconduct, and the disclosure of business secrets or confidential information of the Company or its subsidiaries.

Members of the Board of Directors of Far East Horizon and Their Terms of Office

Name	Position	Gender	Age	Tenure Commencement	Independence			Professional Background		
					Independent from the Management ¹	Independent from Other Stakeholders	Industry Experience ²	Financial and Accounting Experience	Risk Management	Legal Experience
Kong Fanxing	Chairman of the Board of Directors	Male	62	2009						
	Executive Director					√	√			
	CEO									
Wang Mingzhe	Executive Director	Male	55	2009		√	√	√		
	Chief Financial Officer									
Cao Jian	Executive Director	Male	51	2023		√	√			
	Senior Vice President									
Chen Shumin	Vice Chairman of the Board of Directors	Male	59	2023	√			√		
	Non-Executive Director									
Wei Mengmeng	Non-Executive Director	Female	44	2023	√	√	√			
Liu Haifeng David ³	Non-Executive Director	Male	56	2009	√	√	√			
Kuo Ming-Jian	Non-Executive Director	Male	64	2013	√	√	√			
John Law	Non-Executive Director	Male	75	2012	√	√	√		√	
Han Xiaojing	Independent Non-Executive Director	Male	71	2011	√	√				√
Liu Jialing	Lead Independent Non-Executive Director	Male	63	2011	√	√	√			
Yip Wai Ming	Independent Non-Executive Director	Male	61	2011	√	√	√	√		
Wong Ka Fai Jimmy	Independent Non-Executive Director	Male	56	2023	√	√	√			

Note 1: The assessment of independence is based on the Far East Horizon MSCI ESG Rating Report.

Note 2: The professional industry experience of board members refers to the experience gained by board members as employees or executives, which can be acquired through management, academia, consulting, or research roles.

Note 3: Director Liu Haifeng David stepped down with effect from 10 March 2026.

Risk Management

The Company implements the Hong Kong Companies Ordinance, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and other relevant laws and regulations and has formulated relevant policies and regulations including the Information Disclosure Management Measures, the Guidelines for Disclosure of Notifiable Transactions, and the Transactions Management Measures. It adheres to the principles of timely, accurate, complete, fair and strict disclosure, and makes sure that all shareholders have equal access to related information.

The Company continues to improve its information disclosure system. Through external lawyers, secretarial firms, and other agencies, the Company continuously monitors updates to the Listing Rules and other regulatory systems. The effectiveness of the Company's information disclosure is regularly reviewed, and suggestions for improvement are developed in response to rule revisions. The Company continues to enhance its information disclosure standards. In 2025, the Company disclosed 61 documents on the Hong Kong Exchanges and Clearing Limited (HKEX) website.

In 2025, the Company strengthened effective dialogue and communication with shareholders and potential investors through various channels, including the Shareholders' Meeting, performance briefings, external seminars, and strategic meetings.



Metrics and Targets

The Company has established corporate governance-related targets and developed monitoring metrics to continuously track the progress of target implementation. In 2025, the Company successfully completed all the predetermined targets. Moving forward, the Company will continue to improve operational quality, enhance corporate governance effectiveness, and strive to create value for shareholders.

Far East Horizon's 2025 Corporate Governance Performance

Target	Metric	2025 Performance
Strengthen the assurance of director performance	Average attendance rate of directors at Board meetings during the year	94%
	Coverage rate of annual anti-corruption training for executive directors	100%
Improve the independent director evaluation mechanism and enhance the independence of the Board of Directors	Proportion of independent directors on the Board	The Board of Directors consists of 12 directors, with 4 independent directors, making the proportion of independent directors 36.36%. (Non-executive Director Liu Haifeng ceased to hold office with effect from 10 March 2026. Accordingly, as of the report publication date in April 2026, the Board of Directors of the Company comprised 11 directors.)
Promote the diversification of the Board of Directors and senior management	Proportion of independent non-executive directors on the Audit and Risk Management Committee	66.7%
	Number of female directors on the Board	1 person
Improve and strengthen the Company's shareholder dividend return mechanism	Number and amount of dividend distributions	Two cash dividend distributions were made in total, comprising a 2024 final dividend of approximately HK\$1,264 million and a 2025 interim dividend of approximately HK\$1,178 million.

In 2025, the Company

- Held the 2024 annual results announcement meeting, with a total of 135 person-times participating.
- Held the Annual General Meeting of Shareholders, at which shareholders voted on the resolutions presented.
- Held the 2025 interim results announcement meeting, with a total of 141 person-times participating.
- Through participation in seminars and strategy conferences, and through independently organised one-on-one meetings, conducted a cumulative total of 685 person-times of investor engagement and communication, including ESG-focused thematic meeting.

For more information on corporate governance, please refer to the "Corporate Governance Report" section in the *Far East Horizon Limited 2025 Annual Report*.

7.2 Risk and Crisis Management*

Facing the complex economic situation, Far East Horizon is well aware of the core role of risk control in financial business. The Group adheres to a comprehensive, prudent, proactive and forward-looking approach to risk management, leveraging high standards of safety to underpin the high quality of its business development. Effective risk control can not only effectively identify, assess and control potential risks and ensure safe and stable growth of the Company's assets but also guide and optimize business strategies and improve business efficiency and profitability through a scientific risk decision-making mechanism.

Governance

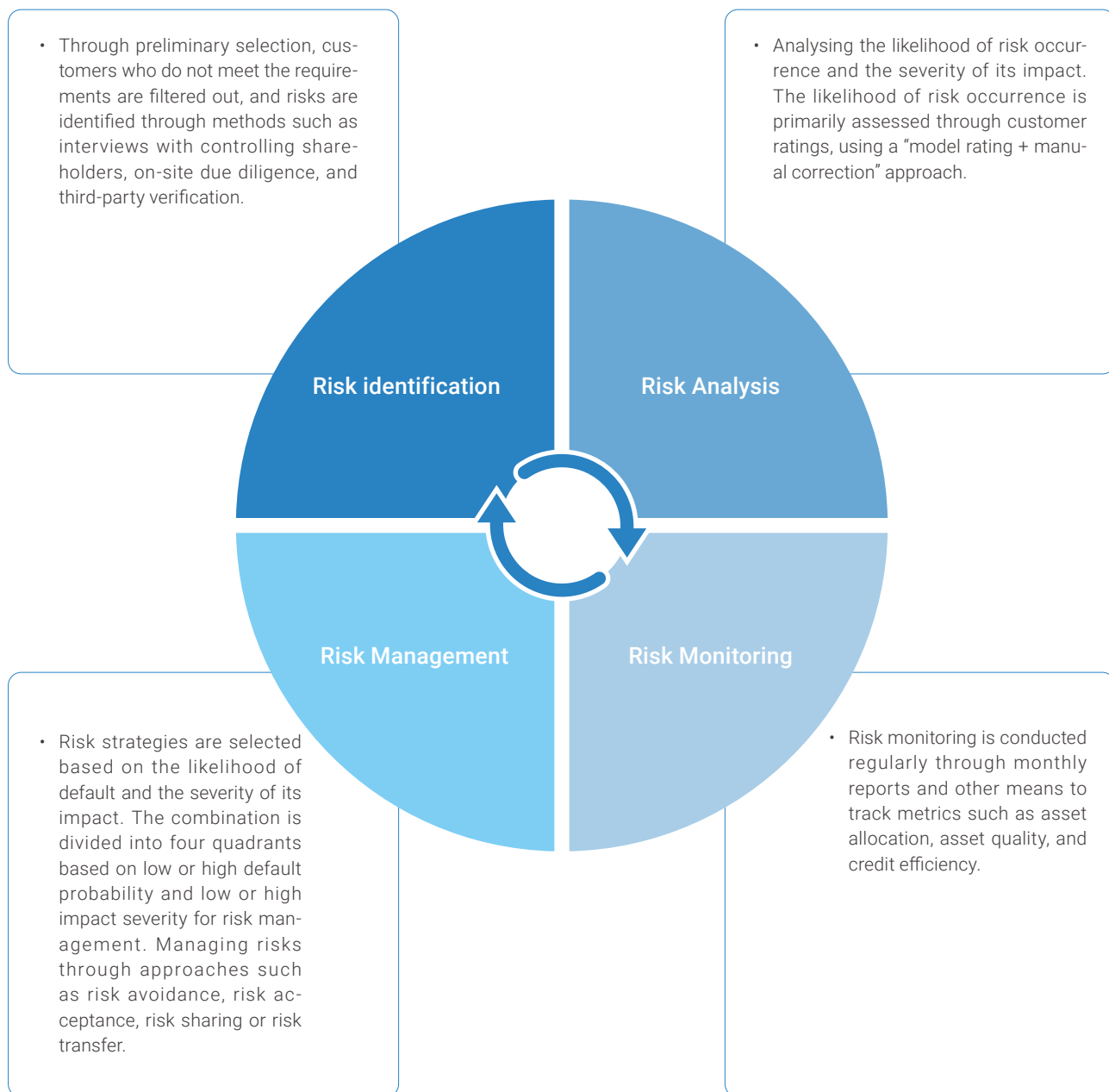
The Group has formulated relevant policies including the *Comprehensive Risk Management Regulations*. It has kept improving the comprehensive risk management governance structure with the Board of Directors as its highest level decision-making body, laid down clear overall targets for risk management, and set a risk management appetite in line with the targets. It has also continuously reviewed internal and external environments and made necessary adjustments to management strategies from time to time to make sure that risk management is reasonable, scientific and effective.

Comprehensive Risk Management Governance Structure of Far East Horizon

Level	Description
Decision-making level	<ul style="list-style-type: none"> • The Board of Directors is the highest decision-making body for risk management. It reviews the effectiveness of the comprehensive management procedures of the Group at least once a year and takes the ultimate responsibility for it.
Supervision level	<ul style="list-style-type: none"> • The Audit and Risk Management Committee under the Board of Directors is responsible for supervising the risk management procedures of the Group and designing risk management systems and policies. In addition, it reviews, approves and manages overall risk management measures and procedures and their overall implementation and effectiveness at least twice a year. • The Internal Audit Department is the department overseeing the risk management of the Group. It is independent of the operation and management of the Company and periodically reports to the Audit & Risk Management Committee. It conducts an independent audit of reasonableness, completeness and effectiveness of risk control every year and carries out ongoing audit work at the level of the Company's day-to-day operations. • Third-party independent auditors assess and test the effectiveness of the design and execution of key control points relating to approval process, monitoring process, credit rating management, loan impairment assessment, etc. every year.
Execution level	<ul style="list-style-type: none"> • The Management and the Risk Management Committee under the Management assume the comprehensive risk management responsibilities of the Group, including fostering a risk management culture, defining overall targets for risk management, formulating the risk management strategy and accountability mechanism of the Group, setting a risk management appetite and risk limits, and studying and discussing major risk events and decisions. • The Risk Management Committee is chaired by an Executive Director and composed of members from the management of strategy, operations, assets and business lines. The members of the committee are changed regularly to better adapt to internal and external changes. • The Operation Centre is the department chiefly in charge of the risk management of the Group. It organizes efforts to build the risk management system of the Company, and promotes, guides and supervises the risk management and related system building of subordinate units according to its responsibilities and the authorization of the Risk Management Committee. • According to the Company's risk management framework and provisions, the risk management department at each subordinate unit of the Company creates a well-functioning risk governance structure with clearly defined responsibilities and establishes a multi-level and interconnected operation mechanism limited by effective checks and balances.

The Group follows the PDCA (Plan, Do, Check, Act) management principles, establishing and improving a closed-loop risk management process covering key stages including risk identification, risk analysis, risk monitoring and risk management. Departments collaborate within their respective areas of responsibility to advance risk control work, providing assurance for the continued stable operation of the Group's business.

Far East Horizon Comprehensive Risk Management Process



Risk Management

The principal risk categories faced by the Group include traditional risks such as credit risk, compliance and operational risk, and liquidity risk, as well as emerging risks such as climate change risk. In 2025, the Group focused on regulating the management of credit risk, compliance and operational risk, and liquidity risk by accurately identifying, quantifying, and effectively responding to various potential risk points, in order to ensure asset security and the stable operation of the business.

Traditional Risk Identification and Response Measures of Far East Horizon in 2025

Risk Type	Potential Impact	Response
Credit risk	Default by customers or failure to pay rent on time may cause the asset quality of the Group to decrease, directly affect the recovery value of leased assets and result in asset losses.	<ul style="list-style-type: none"> • Risk diversification strategy: optimizing the asset allocation structure from diverse perspectives such as industry, region and customer respective and adopting the industry management strategy based on the four industry categories of "encouraged, maintained, restricted and compressed" industries. • Integrity and ethical risk assessment: financial authenticity, analysis of willingness to repay and solvency, etc. • Solvency stress test: stress tests and differentiated risk control strategies covering every customer.
Compliance and operational risk	The transaction process involves many links. If the internal process is not standard or is not adequately executed, it may lead to mispricing, omission or misunderstanding of contract terms, or even major problems such as unclear ownership of leased assets.	<ul style="list-style-type: none"> • Identification of operational risk among employees and improvement: periodically performing internal audit procedures to identify and correct potential operational risk. • Department-level self-inspection and strengthening management: conducting internal reviews, optimizing business operating procedures, and strengthening internal management policies.
Liquidity risk	When settling due obligations with cash or other financial assets, there is a risk of being unable to make payments in full and on time due to a shortfall in funds.	<ul style="list-style-type: none"> • Monitor liquidity risk on a daily basis through indicators including the liquidity coverage ratio and the proportion of short-term liabilities; forecast cash flows and assess the level of liquid assets to ensure sufficient liquidity.

As global regulation tightens, technological change accelerates and the climate and environment evolve, the emerging risks facing the financial industry are becoming increasingly complex and diverse, placing higher demands on the capacity for forward-looking identification and rapid response. Drawing on the characteristics of its business spanning both financial services and industry, Far East Horizon maintains close attention to various emerging risks, conducts advance assessments of potential impacts, and formulates corresponding response measures to ensure that risk management evolves and adapts dynamically in step with business development.

Identification of and Response to Emerging Risks of Far East Horizon in 2025

Risk Type	Description	Impact	Response
Climate change risk	In terms of physical risks, there are changes in physical environmental factors such as frequent occurrence of extreme weather events and sea level rise; in terms of transition risks, policy adjustments made by countries around the world to address climate change, technological innovations and economic and social reforms brought about by changes in market preference are increasing the uncertainty of the assets of the Group.	Climate change risks are transforming into financial risks via multiple channels and have practical impact on the Group's finance, e.g., decreased asset quality, increased bad debt ratio, complex investment decision-making, increased difficulties in recovering capital and challenged long-term competitiveness.	For details, see the section "Climate Change Response" of this report.
Data security risk	With the rapid development and extensive application of IT, data have become more valuable while data security risks have become more complexed and changeable, e.g., loss of effectiveness of security control measures, security vulnerabilities in the supply chain, boundary protection challenges brought by telework.	Data security risks directly affect the Group's core competitiveness, compliance and sustainability, including information leak and legal disputes, key business process interruptions and loss increase, regulatory compliance pressure and penalties, etc.	See the section "Privacy and Data Security" of this report for details.
Geopolitical risk	Geopolitical tensions continue to intensify in certain regions, the Middle East situation, the Ukraine crisis and growing security challenges in the Asia-Pacific, accompanied by numerous uncertainties in China-US relations. The international community is facing multiple challenges from both traditional geopolitical frictions and non-traditional security threats.	Geopolitical tensions may give rise to procurement cost pressures from rising prices of key bulk commodities, and constraints on business expansion and asset deployment arising from a tightening market environment in certain regional markets.	Giving priority to enterprises in industries featured by "domestic circulation". Regarding customers who are engaged in overseas business, prudently assessing their proportions of overseas business.

In 2025, the Group continued to implement its three-dimensional risk control logic, driving organisational flattening through the optimisation of business development mechanisms and Operation Centre functions, and moving the operations manager function forward to improve due diligence quality and the timeliness of information acquisition. In addition, the Group dynamically optimised its risk management policies and control parameters in response to the external environment, strengthened risk management for factoring business and ESG risks, and through the cultivation of a risk management culture and strengthening of digitalization, ensured that risk control strategies are effectively aligned with business development.

Meanwhile, the Group adheres to the idea that all employees participate in risk management. It takes such measures as performance appraisal, communication mechanism, new product risk control, training and publicity to build a risk management culture and make sure that all employees take part and fully understand the whole risk management process.

Risk Culture Building Measures of Far East Horizon

Risk management performance appraisal

- For department managers, conducting a performance appraisal every quarter with respect to their risk management abilities in the operations they are responsible for.
- For front desk employees, risk assets can have an impact on profit results, thus affecting their performance.
- For middle office employees, non-performing assets are included as an indicator into the performance appraisal of risk control personnel, asset management personnel, etc.

Risk communication and reporting

- The Group adheres to the principle of full participation, providing employees with various channels to exchange risk-related information, e.g., daily, weekly and monthly reporting mechanisms and regular meeting mechanisms (weekly/monthly/quarterly/semi-annual/annual) within departments, cross-industry reviews and cross-function communication.
- Directly communicating with grass-roots employees in the form of office survey, undertaking the thoughts of frontline employees about risk management, and replying to and keeping improving existing problems.
- Encouraging employees to actively find and identify risks, scientifically controlling risks, and urging employees to seize the opportunities behind risks while paying attention to risks so as to create value for the Company.

New product risk control

- For industries in their exploration stages or frontier stages, starting with pilot projects with a quota or in small batches.
- Expanding the scope when new industry risks are effectively assessed and reasonably controlled and meet expectations, or choosing to gradually withdraw from the industries.

Training and publicity among the risk control

- Improving the risk awareness of new employees through training on basic risk management knowledge (including quality control theory and practical due diligence training).
- Tempering the comprehensive risk management ability of backbone employees and solving urgent problems in actual work through the research project system.
- Strengthen risk case training and exchange for the full quality control sequence and key sequences such as execution and legal, to improve risk awareness and risk assessment skills across all sequences.
- Summarizing the experience of risk disposal through periodical review of risk cases and enhancing the risk analysis and disposal ability of employees in the whole quality control sequence and key professional sequence in execution and legal affairs. In 2025, the Group invited quality control experts from various industries to conduct training exchanges on risk cases, which were carried out nine times throughout the year, with a total of about 766 participants.

The Group has incorporated ESG risks into its comprehensive risk management system, led by the Investor Relations Department and the Strategic Centre, with oversight from the Operations Centre. It has established management procedures and monitoring metrics for various ESG risks, strengthening the Group's ESG risk management mechanism (as detailed in Section "Sustainable Development Concepts and Strategy" of this report). The Group practices ESG principles in its business operations and integrates ESG factors into customer credit assessments.

Far East Horizon Integrates ESG Assessments into the Customer Credit Process

Evaluation Dimensions	ESG Factors
Corporate governance	Focus on the company's ownership structure, controlling shareholders, and the capabilities of the management team.
Environmental responsibility	For enterprises requiring environmental assessments, evaluate their relevant qualifications, annual review status, and any penalties, and implement differentiated credit management based on their creditworthiness.
Social responsibility	Focus on whether the company pays taxes in accordance with the law, disburses wages in a timely manner, and makes normal contributions to social insurance and housing provident fund, and other aspects of social responsibility performance.

With respect to the digitalization of risk management, the Group has enabled project approvals and opinion issuance through tablet and mobile devices, significantly improving process efficiency and response speed. In addition, the Group is actively exploring the development of an intelligent risk management system; for customers with abundant external information such as listed companies, the Group integrates external big data tools and internal historical records to explore the use of locally deployed AI tools to assist in the preparation of customer assessment reports, providing robust support for the sound and high-quality development of its business.

Metrics and Targets

The Group has established clear risk management targets and regularly monitors progress to ensure the effective implementation of risk management efforts.

Far East Horizon 2025 Risk Management Targets and Completion Status

Aspect	Target	2025 Completion Status
Macro level	Continuously optimise asset allocation at the industry and regional levels to ensure that industry-wide risks are controlled and regional structures are reasonably balanced; adjust policies in line with changes as needed.	Completed
Meso level	Increase efforts in customer identification and review, forming an effective customer list and continuously improving customer portfolio quality; strengthen credit management and control for comprehensive and group-type customers; enhance multi-dimensional verification of customer information.	Completed
Micro level	Continuously improve review methodologies, verification tools and operating methods, and strengthen the ongoing iteration of new information technology and tools; introduce AI management tools to improve intelligent and digitalised management standards.	Completed
Coordination and collaboration	Consistently enhance business operation compliance, the effectiveness of risk management, and the responsibility of roles, fostering greater "communication across departments" and "coordination of personnel," while improving awareness, behaviour, and capability levels for risk prevention among employees.	Completed

7.3 Compliance Operations*

Governance

Far East Horizon has established compliance management systems such as the *Compliance Management Measures*, the *Compliance Manual*, and the *Regulatory Data Preparation and Submission Management Rules*, the *Management Measures on Reporting of Material Matters and Material Information* and the *Transactions Management Measures*, and has set up a Compliance Management Committee. The Committee holds regular meetings to make decisions on significant compliance matters. At the same time, the Group has implemented a three-line defence management mechanism, clearly defining the compliance risk control responsibilities for each line of defence and establishing communication channels for compliance liaisons across departments and subsidiary companies.

Given the nature of its business and operational circumstances, the Group places great emphasis on compliance management in key specialized areas such as anti-money laundering, intellectual property protection, and anti-unfair competition. In accordance with relevant laws and regulations, the Group has developed a robust internal management system to ensure strict adherence to these regulations while effectively using legal measures to protect its legitimate rights and interests.

Far East Horizon Compliance Management Key Specialized Areas

Specialized Areas	Laws and Regulations	Specialized Management Mechanisms
Anti-money laundering	<ul style="list-style-type: none"> • <i>Anti-Money Laundering Law of the People's Republic of China</i> • <i>Regulations on the Anti-money Laundering of Financial Institutions</i> 	<ul style="list-style-type: none"> • The Board of Directors leads the management of money laundering and terrorist financing risks; an Anti-money Laundering Compliance Officer is appointed to coordinate and implement anti-money laundering management actions. • Issued the Anti-money Laundering and Anti-terrorist Financing Policy Statement. • Developed the <i>Manual to Crack Down on Money Laundering and Terrorist Fundraising</i>.
Intellectual property protection	<ul style="list-style-type: none"> • <i>Trademark Law of the People's Republic of China</i> • <i>Patent Law of the People's Republic of China</i> • <i>Copyright Law of the People's Republic of China</i> • <i>Regulation on the Protection of the Right to Communicate Works to the Public over Information Networks</i> 	<ul style="list-style-type: none"> • Established the <i>Measures for Intellectual Property Rights Management</i>.
Anti-unfair competition	<ul style="list-style-type: none"> • <i>Anti-Unfair Competition Law of the People's Republic of China</i> 	<ul style="list-style-type: none"> • Implemented a business secret protection mechanism, requiring employees to sign the <i>Confidentiality Agreement on Business Secrets</i>.

Risk Management

Through clearly defining key specialised areas of compliance management and drawing on various compliance-specific governance mechanisms, the Group strengthens its compliance management standards through the improvement of its governance system, compliance data governance and compliance culture development.

Far East Horizon's Key Compliance Management Initiatives in 2025

Compliance governance system	<ul style="list-style-type: none"> Appointed an Anti-money Laundering Compliance Officer responsible for supervising all activities to prevent and detect money laundering and terrorist financing, providing support and guidance to senior management, and ensuring that money laundering and terrorist financing risks are adequately identified, understood and managed; regularly distributing anti-money laundering-related compliance communications and enforcement updates to employees to enhance the efficiency of compliance information dissemination. Revised the <i>Operational Management Regulations on Anti-money Laundering and Counter-terrorist Financing</i> and simultaneously updated the Anti-money Laundering and Anti-terrorist Financing Policy Statement, improving the anti-money laundering institutional framework.
Development of compliance mechanisms	<ul style="list-style-type: none"> In response to new regulatory requirements, continuously advance the online migration of regulatory reporting, improving data accuracy and submission timeliness through automated data extraction and accompanying process manuals. Establish a compliance scanning mechanism, formulate a compliance scanning checklist, comprehensively identify compliance risk points, assess existing control measures and optimise subsequent improvement measures. Formulate a leased asset compliance verification checklist, and establish a complementary compliance calendar and regulatory communication log to ensure the timely and effective implementation of regulatory requirements.
Compliance culture development	<ul style="list-style-type: none"> In response to position changes, update the signing of the <i>Compliance Responsibility Commitment</i> by the principal responsible person of each department and subsidiary in a timely manner, ensuring that responsibilities are assigned to specific individuals. Conduct anti-money laundering training for new employees, enhancing their anti-money laundering compliance awareness through concept advocacy, interpretation of measures and sharing of penalty cases, supplemented by training assessments. Organise legal and compliance training sessions for business lines on a non-scheduled basis, promptly conveying regulatory policies and key legal requirements to prevent compliance risks.

Case

Anti-money Laundering and Counter-terrorist Financing Compliance Training

In November 2025, the Company organised a compliance training session on combating money laundering and terrorist financing, focusing primarily on the latest regulatory requirements and enforcement updates relating to anti-money laundering regulations. A total of 28 personnel from multiple departments including the Legal Department and General Management Department participated in the training, which lasted over three hours.

Drawing on the Know Your Customer (KYC) principle, the Group has established due diligence processes for both face-to-face and non-face-to-face customers, covering areas including but not limited to the nature and background of customers' business, and customers' sources of wealth and funds. The Group continuously assesses customer risk and identifies suspicious transactions, and through a well-established suspicious transaction reporting process continuously manages related risks.

In terms of anti-unfair competition, the Group adheres to the principle of fairness and resolutely prevents practices such as market monopoly and infringement of others' trade secrets. In the case of improper infringement by others, the Group actively uses legal measures to protect its legitimate interests.

In terms of intellectual property protection, the Group followed the *Measures for Intellectual Property Rights Management*, explicitly stating that the intellectual property rights of others must not be infringed upon, while actively protecting its own intellectual property rights and legal interests.

Metrics and Targets

In 2025, all of the Group's operations complied with laws and regulations requirements, with no major legal or regulatory violations occurring.

Far East Horizon's 2025 Compliance Management Targets and Completion Status

Metric	Target	2025 Completion Status
Signing Rate of the <i>Compliance Responsibility Commitment</i> by the Heads of Departments and Subsidiaries	100%	100%
<p>In 2025, the Group:</p> <ul style="list-style-type: none"> The signing rate of the <i>Compliance Responsibility Commitment</i> was 100%. A total of 14 sessions of compliance training for new employees were conducted, with training topics covering the regulatory framework, anti-money laundering concepts, etc., and a total of 501 attendances participated in the training. More than 30 training sessions on topics such as legal compliance were conducted for business lines, with more than 3,000 attendances participating in the training. 		

7.4 Business Ethics*

Anti-corruption and business ethics are the cornerstone of corporate operation and are of great significance to maintaining legality, compliance, fair competition and good reputation. The Group attaches great importance to and steadily advances anti-corruption. It strictly abides by the *Criminal Law of the People's Republic of China*, the *Company Law of the People's Republic of China*, the *Internal Audit Regulations of the People's Republic of China*, the *Prevention of Bribery Ordinance of Hong Kong*, and other pertinent laws and regulations in the places where it operates and has formulated a set of documents, including the *Rules on Anti-fraud Work* and the *Employees Professional Ethics Code*. It issued the [Anti-corruption Management Statement](#), and continuously carried out anti-corruption mechanism building to effectively prevent corruption risks.

Governance

Anti-corruption Management Structure of Far East Horizon

Level	Responsibilities
Board of Directors	<ul style="list-style-type: none"> Is responsible for the effectiveness of anti-corruption management; Instructs the Management to build an anti-corruption culture and environment in the Company and establish and improve the internal control system to prevent risks including corruption risks.
Management level	<ul style="list-style-type: none"> Establishes, improves and effectively implements internal control and prevents, detects and corrects corruption; Assesses corruption risks and establishes specific control procedures and mechanisms.
Internal Audit Department	<ul style="list-style-type: none"> Assists the Management in building a case-based corruption prevention management system and an accountability mechanism; Carries out anti-corruption awareness-raising programs; Receives and investigates internal and external corruption tip-offs, and issues relevant reports and handling opinions.

Far East Horizon's "Ten Bans" (Excerpt)

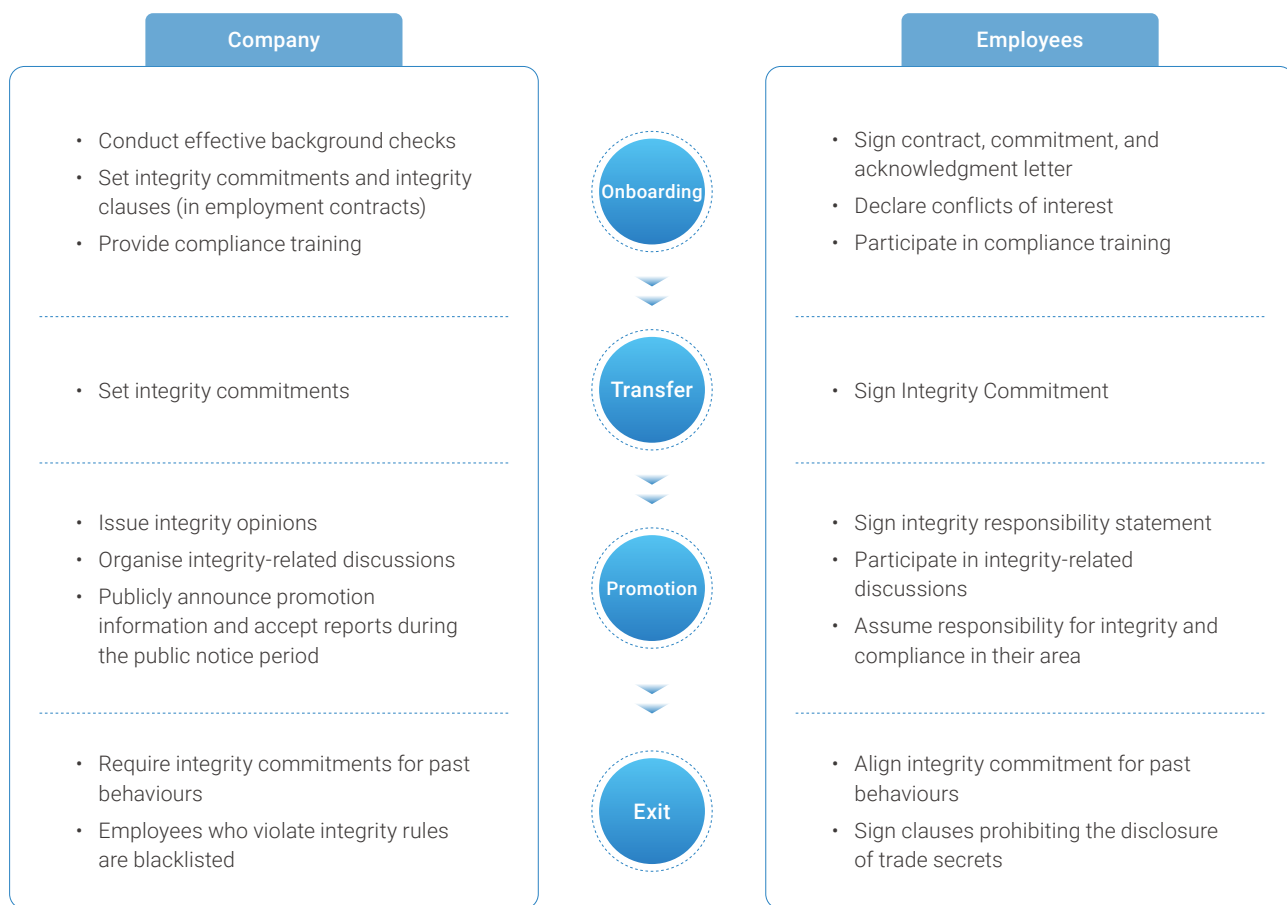
- Strictly prohibit the acceptance of bribes or the receipt of valuable gifts without reporting them.
- Strictly prohibit establishing business relationships through commercial bribery.
- Strictly prohibit introducing projects through financial brokering or knowingly concealing such actions.
- Strictly prohibit falsification, abuse of power for personal gain, and fraud.

Risk Management

Each year, the Group evaluates, classifies, and dynamically adjusts corruption risks. The Internal Audit Department conducts system checks and routine scans on the Company's key management systems, internal controls, and major risk areas. Businesses with abnormal pricing or transaction structures are subject to focused inspection to enable early detection, early correction, and to promote the Company's standardised operations and improved management.

The Group implements anti-corruption management across the full employee lifecycle, covering the stages of hiring, transfers, and departures.

Far East Horizon Employee Anti-Corruption Management Throughout the Full Lifecycle



⁵ Such as transactions where the price is below a certain threshold set by the price control line.

Far East Horizon 2025 Key Anti-Corruption Management Measures

Establish a digital monitoring platform

- Introduce AI technology to establish a digital monitoring platform.
- Implement real-time monitoring and early warning systems for corruption risks to improve the effectiveness and accuracy of anti-corruption efforts.

Anti-corruption audits

- Conduct specialized anti-corruption audits and routine audits.
- Perform anti-corruption audits for all businesses at least once every three years.

Business ethics standards training

- Organise a variety of integrity warning and education activities, such as case-based advocacy and reward-based clue collection, to engage employees in the Company's anti-corruption cultural development.
- Organised 135 training sessions, with approximately 9,000 participants.
- Sent 25 integrity awareness communications to executive directors and management respectively, enhancing the integrity awareness of directors and senior management.
- Achieved 100% coverage of ethics standards training for employees (including outsourced employees).

Require suppliers to sign the Integrity Commitment Letter

- When signing procurement contracts with all suppliers, require suppliers to execute an *Integrity Commitment Letter* as a contract attachment, or incorporate anti-corruption provisions into the procurement contract, explicitly defining specific breach circumstances and prohibiting suppliers from obtaining contracts through improper means such as bid-rigging and benefit transfer.
- Establish anti-corruption penalty clauses for suppliers, with breach compensation of up to 50% of the contract value.

Regular supplier inspection mechanism

- Establish a regular inspection mechanism for suppliers and procurement-related matters within each procurement department/organisation.
- For any issues discovered during inspections (such as potential bribery, improper gifts, or entertainment), the Company will conduct internal investigations and take appropriate disciplinary actions against employees or third parties.
- The Internal Audit Department, or internal control review departments of various units, will conduct regular or random audits of suppliers.

The Group provides various tip-off channels for employees and external customers so as to discover and stop corruption in a timely manner. The Group and its subordinate platforms have all established well-functioning tip-off channels and management mechanisms. For tip-offs received, they follow the principles of "taking up all tip-offs by dedicated personnel, putting them under classified and closed-loop management, and ensuring information confidentiality" so as to guarantee the smooth operations of the supervision and tip-off channels to the greatest extent.

In addition, the Group has formulated the *Measures for Rewarding the Provision of Case Clues*, stipulating that the clues, once proven useful, will be appropriately rewarded. Also, the Group has drafted a leniency policy and set up and made public a special integrity account for employees to hand over cash and negotiable securities, among others, received by them that cannot be returned or are inappropriate to reject on the spot.

Regarding the protection of whistleblowers, the Group has formulated internal policies such as the *Rules on Anti-fraud Work* and the *Measures for Whistleblowing Supervision and Administration*, and established and improved the confidentiality-based whistleblowing management mechanism. While clearly setting out principles and procedures used to handle complaints and tip-offs, it also stipulates that tip-off channels should be dedicated phone lines and email addresses under the management of authorized persons, requires related persons to sign the non-disclosure agreement (NDA), and strictly prohibits any discrimination or retaliation against complainants or whistleblowers.

Metrics and Targets

The Group has established business ethics-related metrics and goals, continuously promoting the development of the Company's integrity culture and creating a clean and ethical business environment.

Far East Horizon's 2025 Business Ethics Management Targets and Performance

Target	Metric	2025 Performance
Enhance anti-corruption awareness among all employees	Percentage of executive directors who have received anti-corruption training	100%
	Percentage of management personnel who have received anti-corruption training	100%
	Percentage of employees who have received anti-corruption training and awareness communication	100%
	Number of <i>Integrity Commitment Letters</i> signed by suppliers	206
<p>In 2025, the Group:</p> <ul style="list-style-type: none"> • Reported zero incidents of discrimination and harassment • Reported zero incidents of customer sensitive information leakage • Reported zero incidents of conflicts of interest • Reported zero incidents of money laundering and insider trading 		

SPECIAL REPORTS





CDHORIZON SPECIAL REPORT

SMART CONSTRUCTION, GREEN FUTURE

Material topics addressed

Construction and equipment quality

Safe production

Opportunities in clean tech

Metric	2025 Target	2025 Completion Status
Timely repair rate	96%	96%
Maintenance completion rate	97%	98.75%
Failure rate of leased equipment	0.83%	0.89%
Timely maintenance rate	96%	96%
Maintenance completion rate	97%	96%
Incidents subject to penalties imposed by regulatory authorities for violations of product and service quality and safety laws and regulations during the reporting period	0	0
Annual occupational disease incidence rate	0%	0%
Accident casualty rate	0%	0%
Number of occupational diseases	0	0
Number of major production safety accidents	0	0
Number of incidents subject to penalties imposed by regulatory authorities for violations of occupational health and safety laws and regulations	0	0

Completed

The UN SDGs aligned

Note: Topics marked with * are financial/double materiality topics covered in this chapter.



8.1 Overview of the CDHORIZON Operations

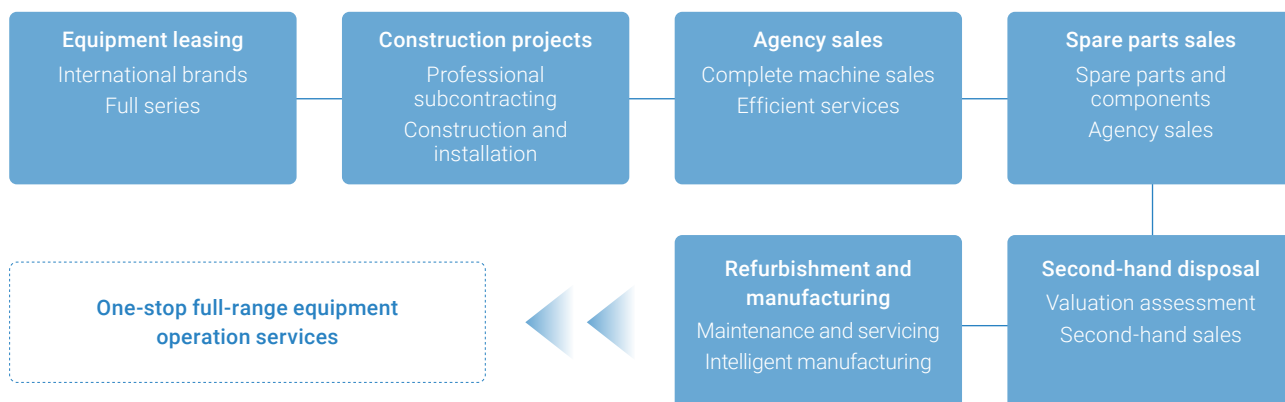
CDHORIZON is one of China's leading equipment operation service providers, with a comprehensive equipment portfolio and strong service capabilities. CDHORIZON's business includes equipment leasing, engineering construction, and agency sales, dedicated to providing one-stop integrated solutions of "products + services" for the construction industry and industrial customers.

Corporate Culture System of CDHORIZON

Mission	Make customers' production and operation safer and more efficient
Vision	Become a trusted equipment operation service provider
Talent Philosophy	To strive to create a fair, impartial and open professional competitive platform, enabling honest, diligent and dedicated employees to receive the recognition and rewards they deserve, within a working environment defined by clear rules and integrity.
Talent Management Philosophy	Regardless of age, tenure, seniority or educational background – only contribution counts
Global Cultural Values	Customer first, hard work, win-win cooperation; professional and efficient; innovative and enterprising; integrity and accountability; open and inclusive; people-oriented

Since its establishment in 2011, CDHORIZON has become a leading equipment operation service provider in terms of scale and comprehensive capability nationwide. It ranked 11th on the Global Equipment Rental Top 100 (IRN100) and ranked 1st on the Global Aerial Work Platform Rental Top 50 (ACCESS50). We have established 562 outlets in China and overseas, serving approximately 401,000 customers cumulatively. On 25 May 2023, CDHORIZON was listed on the Main Board of the HKEX under the stock code 09930.HK.

Business Composition of CDHORIZON



Global Business Network

- The headquarters is located in Tianjin, with four major operational bases in Shanghai Jinshan, Shanghai Jiading, Tianjin Wuqing, and Guangzhou Nansha.
- In the Chinese mainland and Hong Kong, CDHORIZON has 485 service outlets, covering over 229 cities.
- CDHORIZON has 77 overseas business outlets, covering regions including Malaysia, Vietnam, Indonesia, Thailand, Saudi Arabia, the UAE, and Turkey.



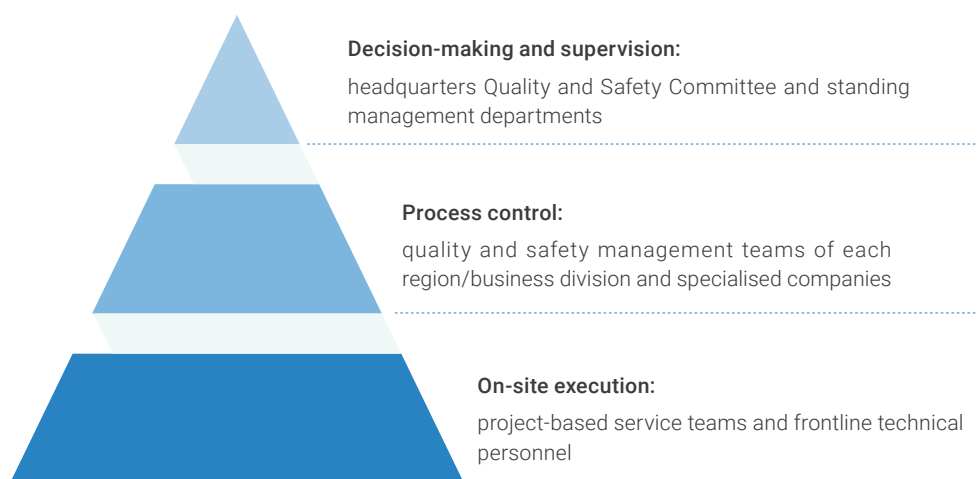
Industry Organizations Participated and Positions Held by CDHORIZON in 2025

Organisation	Role
International Powered Access Federation (IPAF)	Member
China Construction Machinery Association	Executive Director
China Formwork and Scaffolding Association	Executive Director
Sunshine Integrity Alliance	Member
Shanghai Water Engineering Association	Member
Shanghai Construction Hardware, Doors and Windows Industry Association	Vice Chair
Shanghai Jinshan District Ecological Environment Association	Member
Shanghai Jinshan District Ecological Environment and Energy Association	Member
Shanghai Jinshan District Emergency Management and Work Safety Association	Member
Jiading District Federation of Industry and Commerce (General Chamber of Commerce), Shanghai	Member
Suzhou New Building Materials Industry Association	Executive Director
Wuxi Construction Machinery Association - Formwork and Scaffolding Branch	Member
Guangzhou Nansha District Construction Industry Association	Member
Shenzhen Offshore Oil Service Enterprises Association	Member

8.2 Construction and Equipment Quality

CDHORIZON strictly complies with relevant laws and regulations including the *Product Quality Law of the People's Republic of China*. Guided by the operating philosophy of "safety first, quality foremost", the Group has established a "three-tier quality assurance system" to ensure that quality management requirements are embedded in every stage of the full lifecycle of construction projects and equipment.

CDHORIZON Three-tier Quality Assurance System



With respect to equipment quality, CDHORIZON has continued to refine the *Management Measures for Incoming Equipment Inspection*, *General Maintenance Management Measures* and *QC Special SOP Standards and Guidelines*, ensuring standardised operations across the full process from equipment receipt to dispatch. With respect to construction quality, CDHORIZON carried out a systematic update and supplementation of the *Engineering Quality Special Work Management Measures* in 2025, with particular emphasis on strengthening risk classification management and the implementation of responsibilities.

Equipment Quality

CDHORIZON has established and implemented a comprehensive process mechanism covering equipment quality control. Through detailed organization of management requirements and operational standards at each stage, and strict adherence to the corresponding regulations, The Company ensures that the equipment quality is effectively controlled and continuously optimized throughout its lifecycle, from procurement to reuse.

Equipment Quality Control Process of CDHORIZON



In 2025, CDHORIZON continued to introduce refined control measures and conduct systematic quality training activities to comprehensively improve equipment operational reliability and service assurance capabilities.

2025 Key Measures and Results of CDHORIZON in Strengthening Equipment Quality Management

<p>Deepening Control over Key Components</p>	<ul style="list-style-type: none"> • Key high-failure-rate components in scissor lifts and boom lifts were identified, and operational and maintenance standards for these critical components were formulated accordingly. • Through focused control, the proportion of work orders for key areas in scissor lifts decreased from 43.3% in 2024 to 35.8% in 2025; for boom lifts, the proportion of work orders for key areas decreased from 25.3% in 2024 to 22.6% in 2025.
<p>Strengthening Quality Inspection at Critical Process Stages</p>	<ul style="list-style-type: none"> • Two additional critical quality inspection stages were added to the existing process: firstly, a dedicated quality control (QC) inspection stage was added prior to dispatch of in-yard equipment to ensure that dispatched equipment meets performance standards; secondly, a full-vehicle quality inspection stage was added following in-rental equipment repairs. By addressing potential issues proactively through preventive maintenance, this significantly improved equipment stability during the rental period and enhanced customer satisfaction.
<p>Systematic Quality Training</p>	<ul style="list-style-type: none"> • Over 100 dedicated training sessions on the theme of equipment quality were organised, cumulatively reaching 500 service personnel. Training content covered modules including service process operations, fundamental equipment knowledge, service management standards and repair skills; the pass rate for Phase 1 training assessments reached 95%.

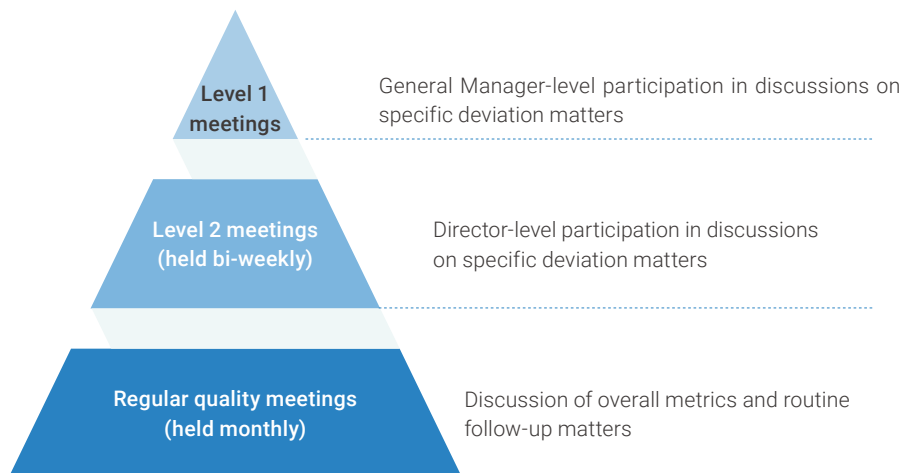
In addition, CDHORIZON has established an efficient response mechanism for equipment maintenance, specifying response timeframes. The Company has also equipped the equipment with intelligent inspection and remote diagnostic upgrade systems, enabling the online detection and online resolution of minor faults through a closed-loop management process. This has significantly improved the response effectiveness to quality issues.

Equipment Maintenance Response Timeframe of CDHORIZON

- 24/7 telephone repair service, with service vehicles on standby at all times, providing round-the-clock and quick responses to customer needs and resolving issues as quickly as possible.
- If equipment failure is not caused by the customer, and the issue is not resolved within three days from the day of reporting or according to the actual needs of the store, CDHORIZON provides a replacement service.

CDHORIZON works alongside its suppliers to collectively address equipment quality issues. A strategic supplier quality co-governance model has been established, incorporating a tiered meeting mechanism for regular discussion of dedicated quality management topics, and monthly supplier quality meetings are convened to drive supplier quality rectification.

CDHORIZON Supplier Quality Co-Governance Model



CDHORIZON continues to advance the standardisation and normalisation of its quality management system. As at the end of 2025, the quality management systems of CDHORIZON's wholly-owned subsidiaries Shanghai Horizon Equipment Engineering Co., Ltd., Shanghai Hongjin Equipment Engineering Co., Ltd., and Guangzhou Hongtu Equipment Engineering Co., Ltd. met the ISO 9001:2015 certification requirements and obtained corresponding certificate.

Subsidiaries of CDHORIZON Holding ISO 9001:2015 Certification

<p>Shanghai Horizon Equipment Engineering Co., Ltd.</p>	<p>Shanghai Hongjin Equipment Engineering Co., Ltd.</p>	<p>Guangzhou Hongtu Equipment Engineering Co., Ltd.</p>

Construction Quality

Taking into account the characteristics of the Group's construction business, CDHORIZON has formed a closed-loop construction quality management process through routine on-site inspections to identify and rectify deviations in a timely manner, tiered training to strengthen personnel competencies, and targeted management of key risk areas such as fire prevention on construction sites.

2025 Key Measures and Results of CDHORIZON in Strengthening Equipment Quality Management

Monthly on-Site Quality Inspections

A list of typical issues is drawn up across five dimensions – safety, quality, progress, cost and materials – to provide a basis for precise rectification and traceability, and to raise the level of refined on-site management.

- Safety: Non-compliant use of personal protective equipment by personnel, non-compliant temporary electrical installations, etc.
- Quality: Sub-standard construction processes, inadequate protection of completed work, etc.
- Progress: Foundation construction delays caused by adverse weather conditions, etc.
- Cost: Material wastage, labour efficiency, etc.
- Materials: Over-plan material requisitioning, on-site wastage, etc.

Quarterly Quality Training

- A total of 10 company-wide quarterly quality training sessions were organised, along with 12 regional specialist training sessions and 15 targeted training sessions for personnel with identified improvement needs; training coverage of construction personnel reached 100%. Training content primarily covered quality control systems, quality guidance manuals, examples of best and poor practice, and post-incident quality accident reviews, building a three-in-one integrated training framework encompassing “system + skills + awareness”, achieving full participation and universal pass rates.
- Through this systematic and comprehensive series of training activities, quality awareness among frontline construction management personnel improved significantly, and quality incidents attributable to inadequate quality management in new projects (commencing from June onwards) were substantially reduced, indirectly saving the Company additional costs incurred as a result of quality incidents.

Special Fire Prevention Measures for Construction Projects

A “three-layer defence” approach of “zoning + hot work management + emergency response” was implemented to achieve full control over hot work operations, minimise on-site fire risk and continuously enhance emergency response capabilities:

- Zone management: Work areas, material storage areas and office areas are delineated by function; flammable materials are stored separately, with anti-static earthing and dry powder fire extinguishers in place; electric tool charging areas and smoking areas are each equipped with fire buckets.
- Strict hot work management: Welding, cutting and similar operations are subject to “dual approval” (project safety department + supervision); flammable materials within a 10-metre radius of the work area are cleared before commencement; water cannons, fire-fighting equipment and a dedicated safety monitor are provided; water cannons are used continuously during cutting operations for fire prevention.
- Emergency preparedness: Regular fire drills are organised and fire safety knowledge is disseminated.

CDHORIZON continuously monitors and evaluates the effectiveness of construction and equipment quality management through the setting of clearly defined quantitative metrics.

CDHORIZON Construction and Equipment Quality Management Metrics and Targets

Metric	2025 Target	2025 Completion Status	
Timely maintenance rate	96%	96%	Completed
Maintenance completion rate	97%	98.75%	Completed
In-rental equipment failure rate	1%	0.89%	Completed
Incidents subject to penalties imposed by regulatory authorities for violations of product and service quality and safety laws and regulations during the reporting period	0	0	Completed

8.3 Safety Production

CDHORIZON regards occupational health and safety management as the foundation of its operations and a safeguard for its sustainable development.

In strict accordance with the *Law of the People's Republic of China on Work Safety*, the *Safety Regulations for Confined Space Operations in Industrial and Commercial Enterprises* and other applicable laws and regulations, CDHORIZON has established policies including the *Work Safety Accountability System Management Measures*, *Occupational Health Management Measures*, *Health, Safety, and Environment (HSE) Policy* and *HSE Incident (Event) Management Measures*, and has built a comprehensive occupational health and safety management system covering overall operations and contractors under CDHORIZON's supervision. The Group is committed to creating and maintaining a safe and healthy workplace and preventing the occurrence of safety accidents and occupational diseases.

CDHORIZON has established an HSE Committee that extends "horizontally to all boundaries and vertically to all levels" as the highest leadership and decision-making body for HSE management, with the Asset Centre HSE Management Department established underneath to oversee day-to-day HSE work.

CDHORIZON's HSE Management Organisational Structure

HSE Committee	Highest decision-making body Chaired by the General Manager, with the heads and responsible persons of each department <ul style="list-style-type: none">Organise and advance HSE management work, and review and make decisions on major HSE matters.
Asset Centre HSE Management Department	HSE Committee's standing executive body <ul style="list-style-type: none">Establish and improve HSE management rules and regulations, and carry out daily HSE management activities, covering modules such as target management, responsibility management, risk management, and operational control.

HSE Risk Prevention and Control Mechanism

CDHORIZON uses HSE risk management as a key lever to manage risks relating to occupational health and safety. CDHORIZON conducts regular identification of HSE risk factors and applies a risk matrix methodology to assess risk levels across two dimensions: likelihood of occurrence and severity of impact. Risk prevention and control measures are then implemented in a differentiated manner according to risk level.

CDHORIZON's Routine HSE Risk Prevention and Control Management Measures

HSE Risk Factor Identification

Hazard identification has been carried out across both existing operational projects and new projects of CDHORIZON, resulting in a total of 50,655 identified items, of which 6,433 are classified as major risks, primarily concentrated in categories such as lifting injuries, mechanical injuries, and collapses.

HSE Risk Control Mechanism

Work instruction documents have been developed for high-risk operational procedures, with policy briefings conducted for frontline engineering staff, alongside dedicated oversight, regular on-site verification inspections, and corrective action on identified issues.

Qualification and admission standards have been established for personnel involved in typical operational procedures, requiring relevant staff to complete skills and safety knowledge training and pass the corresponding assessments prior to commencing work.

Risk management actions are prioritised according to risk level, with a three-tier safety inspection mechanism in place. Identified hazards are tracked and closed out in accordance with the "three-fix principle" (fix the responsible person, fix the timeline, and fix the corrective measures):

- Company level: Monthly inspections with full coverage of high-risk operations; quarterly inspections with full coverage of medium-risk operations; annual inspections with full coverage of low-risk operations.
- Departmental level: Monthly inspections conducted.
- Team level: Daily inspections conducted.

In view of the HSE risk characteristics of its overseas business, CDHORIZON has established a tailored HSE management system with a focus on controlling high-risk activities such as equipment and material loading and unloading, maintenance, and lifting operations. By driving personnel at all levels to fulfil their key HSE responsibilities, CDHORIZON plans and delivers HSE training for overseas employees and ensures the systematic closure of HSE issues identified overseas, thereby providing a solid foundation for overseas business operations.

Safe Production

CDHORIZON strictly fulfilled its responsibilities in work safety and put in place the principle of "Don't Let It Go" in accident handling. Meanwhile, it worked to build strong lines of defence for work safety by improving the responsibility system, building and maintaining facilities, creating a work safety culture or atmosphere, etc., so as to foster a safe environment that is close to realities, to production and to employees for the production and construction of CDHORIZON.

Principle of "Don't Let It Go" for Safety Accident Handling of CDHORIZON

- | | |
|---|---|
| <ul style="list-style-type: none"> • Don't let it go if the cause of the accident has not been thoroughly investigated | <ul style="list-style-type: none"> • Don't let it go if the responsible party has not been held accountable |
| <ul style="list-style-type: none"> • Don't let it go if the relevant personnel have not learned from the incident | <ul style="list-style-type: none"> • Don't let it go if corrective and preventive measures have not been fully implemented |

Key Safe Production Guarantee Measures and Achievements of CDHORIZON in 2025

Aspect	Specific Measures	Achievements
Improved the work safety responsibility system	<ul style="list-style-type: none"> • Appointed personnel responsible for safety, required them to sign the safety responsibility letter, periodically conducted inspections on safety risks, and eliminated safety risks from the source. • Responsibility for hazard rectification covers HSE professionals, managers at all levels, and on-site employees. • A comprehensive inspection mechanism has been established, combining routine on-site patrols with intelligent video surveillance, structured around "weekly inspections, monthly full coverage, targeted in-depth reviews, and enhanced monitoring during public holidays". • Reported detected safety risks online and required relevant personnel to make remediation within a specified period of time. 	<ul style="list-style-type: none"> • A cumulative total of 2,597 hazard inspections of various types were conducted throughout the year, focusing on key areas including operational safety, electrical safety, fire safety, and high-risk operations. • A total of 53,288 hazards were identified during the year, all of which were brought under closed-loop management. The on-time rectification rate reached 98.6%, with a final rectification completion rate of 100%.

Aspect	Specific Measures	Achievements
Procedures for investigating work-related injuries/ accidents	<ul style="list-style-type: none"> In accordance with the <i>HSE Incident (Event) Management Measures</i>, a robust HSE incident investigation procedure has been established. All accidents require the formation of an investigation team to determine the cause, sequence of events, casualties, and economic losses; establish the nature and liability of the incident; put forward handling recommendations and corrective and preventive measures; and issue a formal investigation and handling report. Upon approval of the report, the "four no-excuses" principles are applied to ensure closed-loop rectification. Experience sharing and educational prevention activities are subsequently conducted, with records maintained and regular statistical analysis performed. 	<ul style="list-style-type: none"> The total number of work-related injuries for the year was 29. According to the work-related injury investigation reports, the identified safety hazards had been fully rectified.
Built a work safety culture or atmosphere	<ul style="list-style-type: none"> Various safety awareness activities have been organised, covering areas such as production safety, road safety, and occupational health. New employees undergo three-level safety training at the company, departmental, and team levels, equipping them with a thorough understanding of the Group's work safety conditions, working environment, hazard factors, potential risks, safety responsibilities, operating standards, and emergency response capabilities. In response to National Work Safety Month and Fire Awareness Month, conducted various emergency drills to strengthen employees' safety awareness and emergency response ability. 	<ul style="list-style-type: none"> A total of 49 safety awareness activities were held, accumulating 68,226 readership engagements. New employee training was conducted 241 times throughout the year, covering 1,170 individuals. Work Safety Month reached 5,413 participants; Fire Protection Awareness Month reached 5,406 participants. A total of 169 work safety emergency drills were conducted during the year, with 1,242 participants; 162 fire emergency drills were held, with 1,193 participants.

Occupational Health Management

The occupational diseases involved in the business of CDHORIZON mainly include noise, dust, high temperature, etc. CDHORIZON caused its bases to periodically identify occupational disease risks in the full production cycle and conduct monitoring and remediation of occupational disease risks. It strengthened occupational health management in two ways, those are, equipment improvement and health risk prevention.

Key Occupational Health Guarantee Measures of CDHORIZON in 2025

Equipment improvement	<ul style="list-style-type: none"> Chose semi-automatic welding equipment, installed dust collection pipes, and equipped 10 units of large exhaust equipment to prevent diffusion of welding fume. Continuously optimized process, technology and equipment, and purchased two welding robots to replace manual welding to further reduce the number of hours personnel are exposed to occupational hazards.
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Health risk prevention	<ul style="list-style-type: none"> Distributed labour protection articles to relevant employees based on identified occupational disease risks. Provided annual occupational health checks for employees, with 77 employees in all positions with occupational hazards checked. Conducted occupational health training sessions to help employees strengthen health self-protection awareness by explaining occupational health policies, measures to prevent occupational diseases and infectious diseases, heatstroke prevention and temperature reduction, etc.
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As at the end of 2025, CDHORIZON's subsidiaries, Shanghai Horizon Equipment Engineering Co., Ltd., Shanghai Hongjin Equipment Engineering Co., Ltd. and Guangzhou Hongtu Equipment Engineering Co., Ltd., have obtained ISO 45001:2018 Occupational Health and Safety Management System certification, with occupational health and safety management system certification now covering 75% of self-owned bases.

Subsidiaries of CDHORIZON Holding ISO 45001:2018 Certification

<p>Shanghai Horizon Equipment Engineering Co., Ltd.</p>	<p>Shanghai Hongjin Equipment Engineering Co., Ltd.</p>	<p>Guangzhou Hongtu Equipment Engineering Co., Ltd.</p>

CDHORIZON has set occupational health and safety targets, established a sound occupational health and safety management system, implemented effective risk management and control measures, advanced the achievement of these targets, and was committed to the continuous improvement of occupational health and safety performance to promote the stable development and the fulfilment of social responsibilities of the Company.

CDHORIZON – Occupational Health and Safety Metrics and Targets

Metric	Target	2025 Completion Status
Number of accident fatalities	0	0
Number of occupational disease cases	0	0
Number of major production safety accidents	0	0
Number of incidents subject to penalties imposed by regulatory authorities for violations of occupational health and safety laws and regulations	0	0

Completed

- In 2025, CDHORIZON invested approximately RMB45 million in occupational health and safety, covering eight key safety modules: safety protection, emergency management, personal protective equipment, inspection and testing, safety consultancy, safety education, safety incentives, and hazard rectification, comprehensively reinforcing the Group's occupational health and safety foundations.

8.4 Opportunities in Clean Tech

Against the backdrop of the green transformation of the construction industry, the excavation support and formwork systems business, characterised by circularity and high efficiency, holds enormous growth potential in the clean technology market. Guided by its management philosophy of “understanding the finite nature of the natural environment, respecting ecosystems, and avoiding over-exploitation and pollution”, CDHORIZON has positioned clean technology innovation as a core corporate development strategy. It actively explores and capitalises on opportunities in clean tech, leading the industry towards sustainable development through the research, development and promotion of engineering solutions with low-carbon attributes across the full lifecycle.

CDHORIZON’s operating assets, such as steel sheet piles, section steel and ringlock scaffolding, are temporary support materials that are reusable in nature and are inherently green assets. CDHORIZON has placed carbon reduction and circular utilisation at the centre of its design philosophy; all new product development focuses on dimensions such as reusability and ease of installation and dismantling, endowing products with intrinsically green attributes. The Group is committed to helping customers reduce material inputs and achieve significant carbon reductions across the full engineering lifecycle.

Case Deep-water Cofferdam Technology

CDHORIZON’s deep-water cofferdam technology employs a recoverable and reusable combined retaining and support structure system, suited to deep-water and soft ground conditions in hydraulic, bridge, port and other engineering projects. The technology is characterised by an all-steel structure, ease of construction and flexible combination, enabling the rapid formation of temporary or permanent water-retaining and earth-retaining structures.

Green Benefits of Deep-water Cofferdam Technology

Category	Overview	Effect
Low carbon emissions	Carbon emissions from material production across the full lifecycle are reduced through high material turnover and recycling.	Carbon emissions are reduced by over 80% compared with traditional concrete cofferdam technology.
Minimal impact on the surrounding environment of the construction site	Mechanical installation and removal methods are used; there is no in-situ casting, no welding or cutting, and no construction waste on site, resulting in a clean construction process.	A material recovery rate of 90% is achievable, with significant water and material savings.



Deep-water cofferdam site photographs

CDHORIZON is actively investing in developing fully prefabricated recyclable green steel structure technology. Compared to traditional construction methods, its recyclable characteristics enable multiple reuses. In addition, when combined with an axial compression compensation system, this technology is progressing toward intelligence, informatization, and digitalization.

Green Benefits of Fully Prefabricated, Recyclable Green Steel Structure Technology

Category	Overview	Effect
Low carbon emissions	The carbon emissions of fully prefabricated recyclable green steel structures are primarily concentrated in the production phase. By increasing the turnover of materials, carbon emissions can be significantly reduced.	Over the past three years, all relevant projects by CDHORIZON that used fully prefabricated recyclable green steel structures for foundation pits have achieved an 88% reduction in carbon emissions compared to traditional foundation pit methods.
Minimal impact on the surrounding environment of the construction site	The dismantling process of traditional foundation pit support systems is accompanied by dust, noise, construction waste, and other environmental impacts. In contrast, the fully prefabricated recyclable green steel structure system mainly uses steel structure bolt connections, with no on-site cast-in-place operations. There is no fire, water, dust, or odour emissions, and there is no need for welding, cement, or scaffolding. This effectively reduces energy consumption and environmental pollution.	This construction system results in a 100% reduction in water usage, a 70% reduction in energy consumption, a 20% reduction in material usage, and a 20% reduction in land usage.

Horizon Construction Development's Fully Prefabricated, Recyclable Green Steel Structure Products and Their Green Effect Comparison with Industry Peers

Technology	Prefabrication	Recyclability Rate	Reduction in Carbon Emissions Compared with Concrete Products from Peers	Reduction in Carbon Emissions Compared with Steel Structure Products from Peers ¹
Steel sheet pile	100%	100%	86-95%	15-20%
Combined steel pile	100%	100%	85-92%	20-25%
Section steel support system	98%	96%	85-91%	20-25%
Steel pipe support system	98%	96%	84-92%	20-30%
Combined section steel support	98%	96%	84-92%	20-25%
Trench support	100%	100%	-	30-40%

Note 1: The reduction in carbon emissions is primarily reflected in the transportation, construction, and dismantling stages.

Ringlock scaffolding is CDHORIZON's core green support product. It employs a socket-and-spigot joint with modular design, whereby vertical posts, horizontal bars and diagonal braces are rapidly assembled through connecting discs and pins to form a geometrically stable structural system. Components are treated with a hot-dip galvanised anti-corrosion process and feature high load-bearing capacity and a long service life.

Green Benefits of Ringlock Scaffolding

Category	Overview	Effect
Low carbon emissions	High turnover usage significantly amortises carbon emissions from the production stage, resulting in a full lifecycle carbon footprint far lower than that of traditional scaffolding.	Full lifecycle carbon emissions are reduced by over 50% compared with steel tube and coupler scaffolding.
High resource efficiency	The galvanising process ensures a service life of over 20 years; connecting discs can be used up to 300 times and steel tube couplers up to 150 times, greatly reducing material consumption and waste.	Material savings rate is significant; furthermore, the speed of assembly and dismantling saves substantial labour and reduces project duration, resulting in an overall improvement in energy efficiency.



Ringlock scaffolding component photographs

In addition, CDHORIZON has increased the proportion of electric aerial work platforms procured and promotes the advantages of electric aerial work platforms to customers, encouraging them to choose to hire electric aerial work platforms in place of fuel-powered alternatives. This directly reduces exhaust emissions and carbon output during operations and represents an important initiative in the clean technology transition on the operational side. Compared with fuel-powered aerial work platforms, each electric aerial work platform can achieve a carbon reduction of approximately 15%-20% per year.



HORIZON HEALTHCARE SPECIAL REPORT

UNIVERSAL HEALTH ACCESS, COMPASSIONATE CARE

Material topics addressed

High -quality medical services

Healthcare facility safety

Access to healthcare services

Metric	2025 Performance	
Capital investment in safety management	RMB6,921,031	
Metric	2025 Target	2025 Completion Status
Compensation target for medical disputes	Ratio of the amount of medical disputes settled to business income for the same period below 5%	3.5% (Completed)

The UN SDGs aligned

Note: Topics marked with * are financial/double materiality topics covered in this chapter.



9.1 Overview of the Healthcare Industry

Horizon Healthcare is Far East Horizon’s large-scale social healthcare investment and management platform in China. Actively responding to the national strategies of “Healthy China” and “Actively Addressing Population Ageing”, and guided by the mission of “keeping quality healthcare close to home”, Horizon Healthcare is committed to building a century-old Horizon Healthcare brand that is welcomed by government, recognised by the industry and trusted by the public. Horizon Healthcare aligns with the direction of China’s healthcare policies and focuses on areas with weak medical resources. Through various models, including investment and acquisitions, restructuring and reorganisation, and planning and new construction, we carry out industrial investment in and operation of medical institutions, forming a nationwide hospital operation network covering East China, South China, North China, Southwest China, Northeast China, and other regions.

Corporate Culture System of Horizon Healthcare

Strategy	Distribute hospitals in regions needing healthcare and stick to the “Hundred Counties Plan” to form the advantages of regional groups and chains in China; construct one network, carry out one system, and establish one hospital to leverage its advantages of system and mechanism, build its brand with quality and services, and stay in the leading position in cost and efficiency.
Mission	Make quality health services available nearby
Values	Patients first, entrepreneurial endeavour, and pragmatism
Vision	To be recognized by the government, acknowledged by the industry, and relied on by the people
Philosophy	Patient- and healthcare-centric people
Purpose	Respecting lives, putting patients in the first place, and treating disease with absolute sincerity

Horizon Healthcare Business Areas



Medical Services

Focusing on building hospitals with unique Far East characteristics in regions with limited medical resources



Elderly Care Services

Specializing in the construction and operation of a multi-level, multi-form elderly care service system



Supporting Services

Management Consultancy
Medical Technology

As at the end of 2025, Horizon Healthcare

- **25** hospitals under direct control
- Nearly **10,000** hospital staff
- Nearly **300,000** annual inpatient admissions
- Approximately **10,000** open beds
- Annual outpatient visits nearly **5** million
- Nearly **90,000** annual surgeries

9.2 High-Quality Medical Services

In the face of a rapidly changing environment, Horizon Healthcare has maintained an innovative mindset, continuously advancing strategic upgrades, innovating its business model, and leveraging the advantages of group operations. By introducing cutting-edge medical concepts and healthcare resources, Horizon Healthcare has further enhanced its standard of medical services and broadened its international perspective.


In 2025, Horizon Healthcare continued to optimise and refine its medical quality management and improve its operational model, with the aim of providing patients with higher-quality medical services. The Company is committed to ensuring that every patient receives a safe, efficient, and high-quality healthcare experience, and to building a quality management system with distinctive Horizon Healthcare characteristics.

Key Measures Taken by Horizon Healthcare to Improve Medical Quality in 2025


<p>Improve system construction</p>	<ul style="list-style-type: none"> Based on the <i>Self-inspection Management Measures for Medical Institutions' Legal Practice</i> and the <i>Self-inspection Guidelines for Medical Institutions' Legal Practice</i>, formed 544 self-inspection items to enhance the standardization and regulation of professional self-inspection. Three special regulatory notices were issued: the <i>Notice on Lawful Practice and Mandatory Reporting of Material Medical Quality and Safety Matters at Member Hospitals</i>; the <i>Notice on Prohibiting the Use of Medical Technology for Fetal Sex Identification and the Misuse of Artificial Insemination Technology at Member Hospitals</i>; and the <i>Notice on Medical Risk Control Requirements and Self-Inspection for Chronic and Special Diseases</i>. Self-inspections and rectifications were organised to enforce compliance with established red lines and baseline requirements.
<p>Strengthen top-level development</p>	<ul style="list-style-type: none"> Continued to implement the "Committee + Regional" quality management model. Completed the re-election of members of the Quality Management Committee. On-site quality inspections were conducted on a regional basis, covering 25 member hospitals through quality inspections and cross-checks. A total of 1,338 issues were identified, resulting in 993 follow-up action items; 32 on-site management capability training sessions were held, with over 3,500 participants. Two rounds of "Flying Tiger Team" reviews were conducted to carry out comprehensive hospital diagnostics and provide rectification recommendations. Various professional committees organised multiple training sessions and exchange meetings to enhance the management capabilities and skills of member hospitals.
<p>Enhance management standardization</p>	<ul style="list-style-type: none"> Based on national safety targets and grade assessment standards, developed 48 quality monitoring metrics, requiring member hospitals to report them by grade, type, and discipline, so as to drive management improvements by a results-oriented approach. The "Three-Pathway Integration" initiative was advanced; clinical pathway training was organised, and member hospitals were guided to develop over 400 pathway forms. Conducted monthly medical record audits in member hospitals to improve the quality of medical record writing, focusing on death records and surgical records.
<p>Promote communication and research & development</p>	<ul style="list-style-type: none"> In line with national safety targets, each committee formulated five key research topics for 2025 and effectively implemented them. Each committee held regular meetings and conducted training and exchanges on quality, disputes, disciplines, and professional capabilities based on their specialties. Shared new professional knowledge, disease treatment guidelines, expert consensus, etc., over 100 times; shared National Health Commission's quality management measures, policies, and academic achievements over 50 times. Activities were held to celebrate Nurses' Day, including commendation ceremonies, forums on new productive forces in nursing quality management and new horizons in nursing administration, and themed photography exhibitions; community outreach activities such as home visits, free clinics, health education, and blood donation drives were also organised. Hand hygiene awareness week activities were conducted, with member hospitals engaging local communities and schools to promote hand hygiene culture. Doctors' Day activities were held, including selection of outstanding physicians, recognition of exemplary medical records, and medical skills competitions.

In addition, Horizon Healthcare has consistently practiced the patient- and healthcare-centric approach. The Company has developed *Medical Dispute Prevention and Handling Management Measures* and implemented regular patient-doctor communication measures to foster a harmonious doctor-patient relationship.


Regular Measures of Horizon Healthcare for Patient-Doctor Communication




Offered access to make appointments with doctors or for check-ups via mobile phones



Added a new doctor-patient communication channel: the internet platform called "Horizon Clinic"



Carried out chronic disease management and offered home care



Conducted training in communication techniques with patients and prevention of medical disputes

In 2025, Horizon Healthcare continued to focus on delivering high-quality medical services, setting targets to enhance medical technology levels, improve the patient service system, and strengthen doctor-patient communication. Through a series of systematic improvements and innovative practices, the Company has laid a solid foundation for the high-quality development of its medical services.

High-Quality Medical Service Targets and Key Achievements of Horizon Healthcare in 2025

Targets and Achievements of High-quality Medical Services	
Target	2025 Key Achievements
Fostering a quality management culture	<ul style="list-style-type: none"> The reporting rate of medical safety (adverse) events in 2025 increased to 3.1 cases per 100 discharged patients, surpassing the national target of 2.5 cases per 100 discharged patients.
Enhance quality management and control capabilities	<ul style="list-style-type: none"> The pre-operative multidisciplinary discussion rate for Grade IV surgeries increased from 46.9% in 2024 to 82.6% in 2025.
Selected Honours and Awards in Medical Quality	
Awardee	Award
Zhecheng Traditional Chinese Medicine Hospital	First Prize, 5th Henan Provincial Rehabilitation Medicine Association High-Quality Nursing Science Popularisation Competition
Lichuan Horizon Hospital	First Prize, Lichuan City Nursing Skills Competition for International Nurses' Day (12 May)
Xianning Matang Hospital	First Prize, Hubei Division, 8th National Young Physicians' TCM Case Exchange Competition
Nayong Xinli Hospital	First Prize (Team), Nayong County Nursing Theory Competition for International Nurses' Day (12 May)
Siyang Traditional Chinese Medicine Hospital	Second Prize, FOCUS-PDCA Session, 8th National Hospital Quality Management Tools Presentation Conference
Shenzhen Cihai Hospital	Second Prize, Shenzhen 7th Palliative Care Practice Case Sharing Forum
Huizhou Huakang Hospital	Second Prize, Huizhou 6th Trauma Emergency Skills Competition
Deyang Fifth Hospital	Hospital Second Prize, Deyang Health Industry Cybersecurity Skills Competition

9.3 Healthcare Facility Safety

Horizon Healthcare pays high attention to safety management in medical facilities. According to the *HSE Work Management Manual of Horizon Healthcare* it formulated, Horizon Healthcare has established an HSE management structure and basic requirements in eight respects, those are, organization environment, targets and commitment of guidelines, negotiation and participation of responsibilities, planning, operating and control, contingency preparation and response, performance appraisal, and continuous improvement, and actively caused its member hospitals to make improvement based on the list of management documents.

Key Measures Taken by Horizon Healthcare to Ensure Safety of Medical Facilities in 2025

In 2025, Horizon Healthcare invested a total of RMB6,921,031 in safety management.

Continuously operated the HSE management mechanism

- Implemented the HSE management system and rolled out the Horizon Healthcare HSE management system checklist for implementation at member hospitals.
- The General Manager of Horizon Healthcare signed the HSE management responsibility agreement with the directors of each member hospital, and each member hospital signed the HSE management responsibility agreement with the heads of various departments. The Administrative and Logistics Department took the lead in conducting regular HSE management training and inspections for all hospital staff.

Set the HSE investment red-lines and the HSE compliance bottom lines

- Set two types of HSE investment red-lines, consequence and compliance. Consequence HSE investment red-lines take into account safety accidents, the latent danger of major accidents, and administrative punishment; compliance HSE investment red-lines involve five licenses, those are, licenses for fire protection acceptance, pollution discharge, radiation safety, radiological diagnosis and radiotherapy, the environmental impact of factories in the process;
- Set 11 HSE compliance bottom lines under four categories, those are, fire protection, environmental protection, occupational health, and licenses.

Implemented HSE information-based inspections

- The Hong Yun Tong system launched the HSE inspection module, enabling online supervision and inspection of standardized fire safety system checks at member hospitals, ensuring the implementation of fire safety inspections at hospitals.

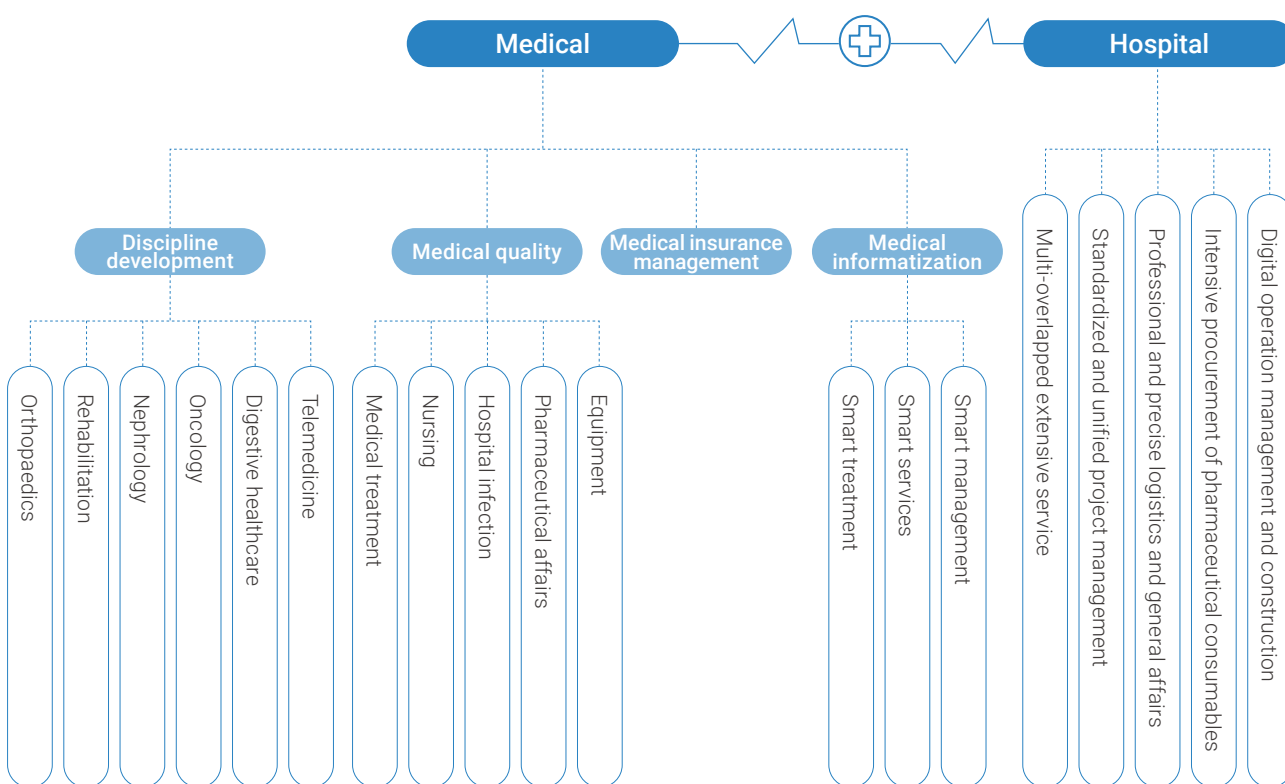
Strengthened HSE cultural development

- Organized four safety production and fire safety knowledge training sessions for all staff.
- Organized two emergency evacuation drills and fire-fighting drills in June and November.
- Strictly ensured safety production work during holidays such as the "Spring Festival", "Labour Day", and "National Day", ensuring that the safety production systems for key departments at hospitals were fully implemented during these periods.

9.4 Access to Healthcare Services

Horizon Healthcare continues to strengthen the service linkage between high-quality medical resources in first- and second-tier cities and patients in their local communities, enabling residents across regions to access diversified, multi-tiered medical and healthcare services close to home. Committed to delivering high-quality healthcare that is accessible to all, Horizon Healthcare follows a differentiated geographic strategy, taking root in county-level areas and operating at the grassroots level, with the health needs of millions of county residents at its core. Through its "Medical + Hospital" system, the Company provides comprehensive, one-stop services covering the full spectrum from medical treatment to health management.

"Medical + Hospital" System of Horizon Healthcare

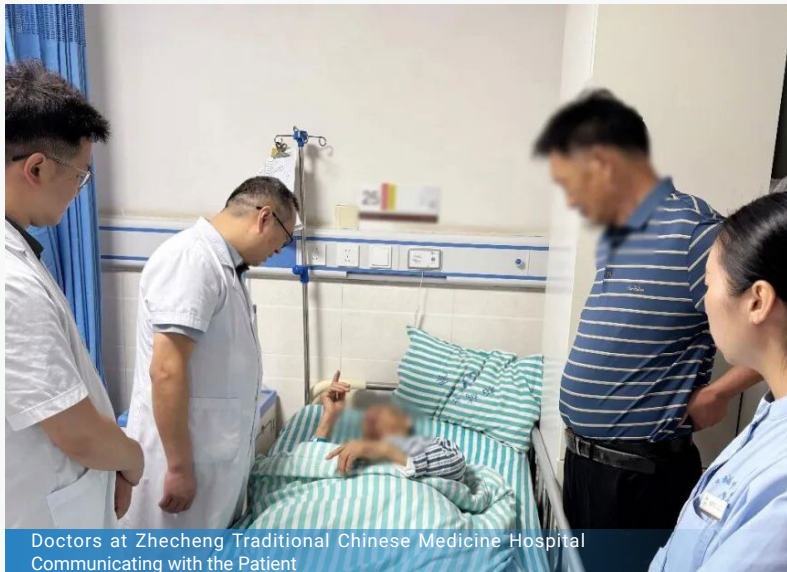


Guided by the strategic direction of focusing on county-level areas, addressing the aging population, and supporting the Healthy China initiative, Horizon Healthcare continues to actively promote the development of age-friendly medical institutions by implementing measures across treatment plans, management systems, hospital culture, care services, and age-friendly environments. Horizon Healthcare is gradually establishing and improving an age-friendly service system to effectively address the healthcare challenges faced by the elderly population.

Case

Zhecheng Traditional Chinese Medicine Hospital Performs Minimally Invasive Surgery for a T12 Vertebral Compression Fracture in a 104-Year-Old Patient

Zhecheng Traditional Chinese Medicine Hospital, a member hospital of Horizon Healthcare, successfully performed minimally invasive surgery on a 104-year-old patient with a compression fracture of the 12th thoracic vertebra. The patient was discharged just one day after admission, was able to get out of bed and begin exercising on the first day after surgery, and subsequently left hospital smoothly. This breakthrough not only set a new in-hospital record for the oldest patient to undergo day surgery, but also vividly demonstrated the maturity and standardisation of the hospital's day-surgery model, as well as the strong technical capabilities of its Department of Spinal Orthopaedics in minimally invasive treatment for elderly patients.



Doctors at Zhecheng Traditional Chinese Medicine Hospital Communicating with the Patient

In addition, Horizon Healthcare actively promotes the integration of medical and health care in county-level areas, bridging the final mile in the community by closely linking hospitals with communities through integrated medical and health.

Case

Advancing from "Treatment" to a "Whole-Cycle" Discipline Model to Improve Access to Healthcare

As population ageing accelerates and the number of people living with chronic diseases continues to grow, demand for rehabilitation services is expanding from post-operative recovery to the full process of health management. Over the past year, Horizon Healthcare has continued to deepen the development of its rehabilitation discipline and implemented a comprehensive package of measures.



Professor Xu Yanzhong, Chief Expert for Rehabilitation Discipline at Horizon Healthcare, Providing Discipline Planning Guidance and Mentoring the Discipline Team at a Hospital

As rehabilitation resources have been extended to the grassroots level, a number of member hospitals have gradually introduced new services in areas such as neurological rehabilitation, postnatal rehabilitation and cardiopulmonary rehabilitation. Horizon Healthcare has integrated the "whole-cycle" concept into clinical practice, promoting a shift in rehabilitation services from a "single-treatment" approach to whole-process management covering prevention, treatment, rehabilitation and long-term care. As a result, more and more patients are able to access seamless services close to home, ranging from acute-stage treatment to recovery-stage rehabilitation.



HORIZON EDUCATION SPECIAL REPORT

EDUCATION INNOVATION, NURTURING EXCELLENCE

Material topics addressed

Campus education and safety

Metric	Target	2025 Completion Status
Incidents of violations and legal infractions related to campus safety	0	0 (Completed)

The UN SDGs aligned

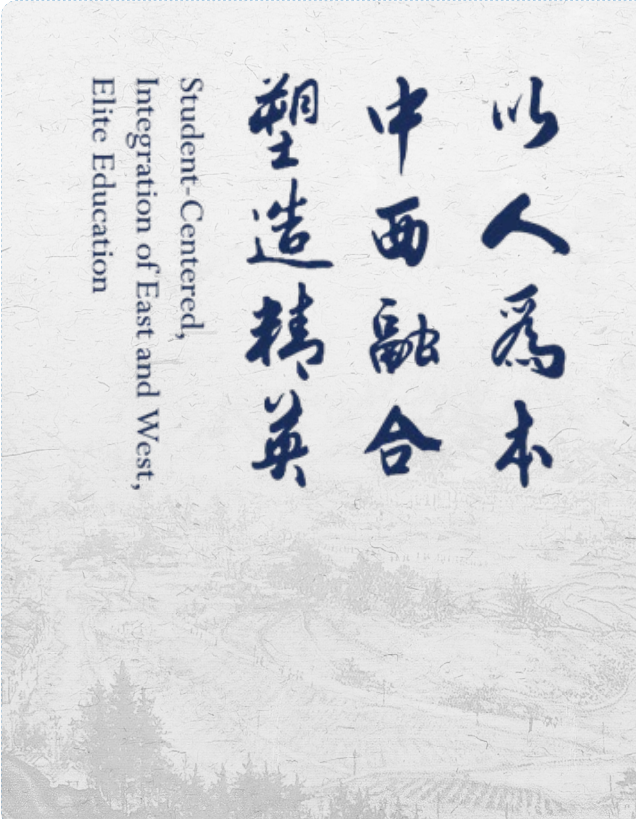
Note: Topics marked with * are financial/double materiality topics covered in this chapter.



10.1 Overview of the Education Industry

Adhering to the schooling philosophy of "Student-Centred, Integration of East and West, and Elite Education", Horizon Education takes the responsibility of serving society, runs schools through integrated operations at home and abroad, and is devoted to building an excellent and featured education system in China, and cultivating talents with a sense of social responsibility, technological innovation capabilities, and an international outlook.

Tenet of Horizon Education



Student-Centred:

- Fully respect students' diverse growth and differences
- Fully develop students' potential and focus on the development of their strong points
- Fully cultivate character and moral sense
- Fully stimulate students' learning impulse
- Help students fully develop their ability to conquer hardships

Integration of East and West:

Chinese culture is the body, while Western the garment. Advanced Western education concepts and methods are closely studied for comparison, so that through deep understanding of differences and commonalities, we create a learning environment conducive to communication, contemplation, and edification.

Elite Education:

By encouraging interests and hobbies, we tap into students' potential and aim at turning them into good citizens with social responsibilities, professional innovative skills and global competitiveness.

Schooling System of Horizon Education

Teaching Brand	Phase of Education	Distribution of Campuses	Features
Hongwen School	Senior high school education	Qingdao	<p>Hongwen School integrates an excellent overseas education system with traditional Chinese education, provides teaching quality of the highest international level, and cultivates talents with both Chinese and Western visions.</p> <p>Hongwen School adheres to the motto of "diligence, benevolence, self-discipline, perseverance, and innovation". Run with the philosophy of "being scientifically-minded and aesthetically-conscious", the school adopts the national curriculum with innovative methods, encourages learning based on interest, and is committed to cultivating core qualities and innovative thinking.</p>

10.2 Campus Education and Safety

High-quality education

The Company maintains a commitment to high-quality education, taking as its mission the cultivation of elite talent for society. Its senior secondary schools have established strong reputations locally and are widely recognised by parents. Academic results at the senior secondary level are outstanding, with over 93% of students gaining admission to the world's top 50 universities; for several consecutive years, the schools have supported exceptional students in gaining places at leading institutions including Oxford, Cambridge, and Ivy League universities.

Through the accumulation of teaching experience, Horizon Education has developed robust school operational capabilities and an excellent management and faculty team. In 2025, Horizon Education's campuses continued to optimize school governance, upgrade teaching management systems, and significantly improve teaching quality.

Teaching and Management Optimization Efforts of Horizon Education in 2025

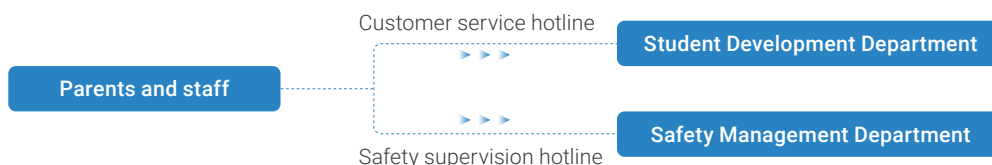
Teaching and curriculum development	<ul style="list-style-type: none">• Maintained comprehensive quality control over teaching, with strengthened curriculum alignment to meet students' personalised learning needs. Used homework and classroom instruction as twin engines to enhance teaching quality, with further development of distinctive curriculum features.• Developed a personalized timetable for each student, offered specialized tutoring for international academic competitions, PBL project-based learning, and the BTH Yuanwang (Advanced Talent) Programme for tiered academic support.• Used the curriculum system authorized by the University of Cambridge Examination Centre (CIE) and Edexcel, the UK's national qualifications and academic examination authority, covering IGCSE, A-Level, and other courses.
Improvement of admission and enrolment quality and efficiency	<ul style="list-style-type: none">• Focused on improving admission rates to Oxford and Cambridge by upgrading teaching strategies through project-based learning, strengthening subject research, and fostering independent thinking skills.• Enhanced online recruitment promotion and increased the school's influence. New media and video account followership has significantly grown, leading to notable improvements in recruitment results.
Teacher team development	<ul style="list-style-type: none">• Increased investment in teacher training, implemented a scientific evaluation and assessment system, improved compensation and child education benefits, and attracted and retained outstanding talent.
Moral education and school parent collaboration	<ul style="list-style-type: none">• Focused on student behaviour management, organized social practice and extracurricular activities, and strengthened school-parent collaboration.• Followed up on student progress through a positive feedback system, sending weekly parent letters personally signed by the principal, and regularly reporting to the parent committee to enhance the school-parent collaboration effect.

In addition, Horizon Education places great emphasis on the development of cultural and physical education. Since 2024, Qingdao Hongwen Art Centre, a subsidiary of Horizon Education, began independently enrolling art students, offering separate art classes, and setting up specialized courses. The target is to inspire students' continuous passion for art, broaden their horizons, and expand their artistic thinking.

High-quality service

Horizon Education continuously improves campus service quality by providing feedback channels for parents and staff. The Company ensures the daily operation of customer service hotlines and safety supervision hotlines, with hotline number notice boards set up at schools. Through these hotline channels, Horizon Education actively listens to the opinions and suggestions of parents and staff, resolves internal conflicts promptly, and constantly improves the school's management system, while continually enhancing the quality of education.

Hotline Communication Mechanism of Horizon Education



In addition, Horizon Education continues to improve various management regulations related to cybersecurity in accordance with the *Cybersecurity Law of the People's Republic of China*, such as information security management standards, and shared file management standards. At the same time, Horizon Education actively conducts special inspections and rectifications for existing systems, including data security, personal information security checks, email phishing attack awareness and drills, further strengthening the foundation of cybersecurity.

Campus safety

The HSE (Health, Safety, and Environment) concept is a crucial guarantee for the sustainable development of Horizon Education, and the health and safety of both staff and students are top priorities for all of the organization's activities. In 2025, Horizon Education continued to improve the HSE system and its implementation, revising and enhancing campus fire safety management systems, campus facility safety systems, extreme weather emergency response systems, and campus infectious disease prevention systems, ensuring campus safety effectively.

At the same time, based on the actual campus operations, Horizon Education continuously improved the safety training system. By organizing activities such as Fire Safety Awareness Month and conducting school-wide evacuation drills, it effectively enhanced the safety awareness of both teachers and students. In 2025, the safety training coverage rate across schools under Horizon Education reached 100%.

In 2025, there were no incidents of violations and legal infractions related to campus safety, and no penalties related to campus safety imposed by external regulatory authorities.

Key Measures of Horizon Education to Ensure Campus Safety in 2025

- In August, the campus launched fire safety awareness and advocacy work, with over 1,800 participants.
- Fire extinguisher practical training for teachers and students was organized, with 50 participants.
- Multiple school-wide fire escape drills were organized throughout the year, with a total of 4,000 participations.



ESG Data Tables and Notes

Economic Performance Table

Economic Performance Data

Metric	Unit	2023	2024	2025
Total revenue	RMB100 million	379.60	377.49	357.85
Profit before tax	RMB100 million	104.25	80.21	80.32
Total tax payment	RMB100 million	51.45	54.23	57.11
Total assets	RMB100 million	3,514.83	3,603.90	3,709.61
Government subsidies received	RMB10,000	22,537.70	26,259.50	20,361.00
Employee compensation and benefits expenses	RMB10,000	569,226.30	565,343.00	536,451.30
Basic earnings per share	RMB/Share	1.47	0.92	0.87
Total fines due to ESG issues	RMB	0	0	0

Environmental Performance Table

Group Environmental Data¹

Metric	Unit	2023	2024	2025	
GHG emissions ²	Aggregate GHG emissions (Scope 1)	tCO ₂ e	71,591.94	51,912.24	38,202.88
	Aggregate GHG emissions (Scope 2) (Location-based)	tCO ₂ e	61,769.63	58,965.14	64,858.08
	Aggregate GHG emissions (Scope 2) (Market-based)	tCO ₂ e	---	---	73,638.60
	Scope 3 Category 1-Purchased goods and services	tCO ₂ e	---	---	43,129.85
	Scope 3 Category 2-Capital goods	tCO ₂ e	---	---	91,332.48
	Scope 3 Category 3-Fuel and energy-related activities (not included in scope1 and scope2)	tCO ₂ e	---	---	18,466.16
	Scope 3 Category 4-Upstream transportation and distribution	tCO ₂ e	---	---	59,780.91
	Scope 3 Category 5-Waste generated in operations	tCO ₂ e	---	---	1,357.89
	Scope 3 Category 6-Business travel	tCO ₂ e	---	---	22,318.11
	Scope 3 Category 7-Employee commuting	tCO ₂ e	---	---	2,489.60
	Scope 3 Category 11-Use of sold products	tCO ₂ e	---	---	63,145.34
	Scope 3 Category 12-End-of-life treatment of sold products	tCO ₂ e	---	---	44,318.96

Metric		Unit	2023	2024	2025
Greenhouse gas emissions ²	Scope 3 Category 13-Downstream leased assets	tCO ₂ e	--	--	585,977.18
	Scope 3 Category 15-Investments	tCO ₂ e	2,209,781.40	1,762,053.40	491,115.88
	Aggregate GHG emissions (Scope 1 and Scope 2) (Location-based)	tCO ₂ e	133,361.57	110,877.39	103,060.96
	GHG emissions per unit of revenue (Scope 1 and Scope 2) (Location-based)	tCO ₂ e/RMB million	3.51	2.94	2.88
Energy utilization	Total energy consumption	tce	49,622.39	38,633.46	31,766.92
	Energy consumption density per unit of revenue	tce/RMB million	1.31	1.02	0.89
	Aggregate natural gas consumption	m ³	1,619,498.00	1,374,553.93	1,399,561.07
	Gasoline consumption of self-owned vehicles/mobile devices	litre	2,729,332.00	3,356,137.36	2,443,040.16
	Diesel consumption of self-owned vehicles/mobile devices	litre	10,327,744.00	13,683,292.23	9,121,536.83
	Total electricity consumption	MWh	103,000.00	109,871.25	113,512.30
	Aggregate steam and hot water procurement	GJ	51,870.63	74,852.45	14,280.00
Use/production of clean energy	Renewable energy production (aggregate) ³	MWh	727,683.50	130,690.003	2,366.48
Utilization of water resources	Aggregate water consumption	m ³	2,138,066.40	2,072,530.42	1,812,676.34
	of which, recycled water consumption	m ³	6,350.00	3,728.00	805.00
	Water consumption per unit of revenue	m ³ /RMB million	56.32	54.90	50.65
General solid waste ⁴	Aggregate general solid waste generation	ton	23,258.56	3,481.29	6,924.17
	of which, aggregate recyclable solid waste	ton	0.00	27.10	489.11
	General solid waste generation per unit of revenue	ton/RMB million	0.61	0.09	0.19
Hazardous wastes	Aggregate hazardous waste generation	ton	1,881.03	1,962.33	1,604.39
	Of which, medical waste (HW01,HW02,HW03)	ton	1,712.36	1,638.96	1,291.24
	of which, chemical waste (HW06, 09, 12, 13, 17, 21, 22, 33, 34, 35)	ton	6.87	5.70	1.74
	of which, electronic waste (HW10)	ton	0.60	0.14	0.29
	Of which, other waste (HW49)	ton	161.20	192.37	311.12

Metric		Unit	2023	2024	2025
Industrial waste gas	SO ₂	kg	0.00	35.14	0.00
	VOC	kg	0.18	0.00	0.00
Mobile-source exhaust emissions ⁵	SO _x	kg	206.90	269.64	182.20
	NO _x	kg	2,086.12	20,681.93	24,801.71
	PM	kg	2,711.29	2,492.14	2,376.48
Wastewater pollutants	COD	kg	327,478.37	117,482.60	357,765.56
	BOD	kg	35,038.36	32,010.46	77,898.59
	Ammonia Nitrogen (NH ₃ -N)	kg	19,333.44	17,430.54	13,798.59

Note 1: The above statistics are based on the consolidated statements of the Far East Horizon Group. In 2024, there were notable changes in the shipping operations as well as business with high carbon emissions and assets of the company, accompanied by proactive efforts towards energy conservation and emission reduction. As a result, certain data exhibited significant fluctuations compared to 2023.

Note 2: For the Group, GHG emissions (Scope 1) refer to direct emissions from the consumption of natural gas, gasoline, diesel, and refrigerants, the operation of sewage treatment stations, etc.; GHG emissions (Scope 2) refer to indirect emissions from purchased electricity and purchased heating power. In 2025, the Group expanded the scope of its Scope 3 accounting to cover all categories, although Categories 8, 9, 10 and 14 were not quantified. The emission factors for greenhouse gases can be seen in the HKEX's *How to Prepare an ESG Report - Appendix 2: Reporting Guidance on Environmental KPIs*, the *Announcement on the Release of CO₂ Emission Factors for Electricity in 2022 and Announcement on the Release of CO₂ Emission Factors for Electricity in 2023* issued by the Ministry of Ecology and Environment of the People's Republic of China and the National Bureau of Statistics, the GHG Protocol, the Resolution MEPC.308 (73) by the International Maritime Organization (IMO), and the Chinese Environmentally Extended Input-Output (CEEIO) database. The year-on-year fluctuation in Scope 3, Category 15 (investments) emission data for 2025 is primarily attributable to: ① Changes in the accounting boundary — this year being a transition period for digital carbon governance, only new leasing projects initiated in 2025 are included, while existing projects are excluded; ② Updates to emission factors — the latest official CEEIO 2020 emission factor database has been adopted for this period, with some factor values lower than those used in previous periods.

Note 3: Over the past two years, as the Group stripped some of its assets from the new energy photovoltaic project, the volume of renewable energy generation saw a relatively significant decline in 2024 and 2025.

Note 4: Since Horizon Education is unable to count the amount of solid waste generated due to internal management reasons, the data of Horizon Education is not included in the Group's solid waste scope.

Note 5: The Group's mobile source exhaust gas emission factors refer to HKEX *How to Prepare an ESG Report - Appendix 2: Reporting Guidance on Environmental KPIs*.

Environmental Data of Each Subsidiary

© Environmental Data of CDHORIZON¹

Metric		Unit	2023	2024	2025
GHG emissions ²	Aggregate GHG emissions (Scope 1)	tCO ₂ e	32,970.00	35,109.24	28,264.60
	Aggregate GHG emissions (Scope 2) (Location-based)	tCO ₂ e	7,578.00	6,549.60	5,746.36
	Aggregate GHG emissions (Scope 1 and Scope 2) (Location-based)	tCO ₂ e	40,548.00	41,658.84	34,010.95
	GHG emissions per unit of revenue (Scope 1 and Scope 2)	tCO ₂ e/RMB million	4.22	3.60	3.63
Energy utilization	Total energy consumption	tce	18,004.70	17,662.35	14,815.36
	Energy consumption density per unit of revenue	tce/RMB million	1.87	1.53	1.58
	Gasoline consumption of self-owned vehicles/mobile devices	litre	2,355,428.00	2,421,674.32	2,122,774.21
	Diesel consumption from stationary sources	litre	---	---	159.60
	Diesel consumption of self-owned vehicles/mobile devices	litre	10,106,603.00	10,823,130.26	8,951,567.08
	Total electricity consumption	MWh	13,285.00	12,205.75	11,529.52

Metric		Unit	2023	2024	2025
Energy utilization	Electricity consumption per unit of revenue	MWh/RMB million	1.38	1.05	1.23
Utilization of water resources	Aggregate water consumption	m ³	280,552.40	243,297.84	225,692.81
	Recycled water consumption	m ³	350	68 ³	67
	Water consumption per unit of revenue	m ³ /RMB million	29.20	21.01	24.11
General solid waste	Aggregate general solid waste generation	ton	1,723.00	1290.00	2,972.20
	General solid waste generation per unit of revenue	ton/RMB million	0.18	0.11	0.32
Hazardous wastes	Aggregate hazardous waste generation	ton	157.60	204.60 ⁴	16.92 ⁵
Mobile-source exhaust emissions	SO _x	kg	197.00	209.85	175.33
	NO _x	kg	24,524.00	25,232.27	22,101.83
	PM	kg	2,350.00	2,417.74	2,117.78

Note 1: The statistical data is from the consolidated statement of CDHORIZON.

Note 2: For CDHORIZON, GHG emissions (Scope 1) refer to direct emissions from the consumption of gasoline, diesel, etc.; GHG emissions (Scope 2) refer to indirect emissions from purchased electricity; and GHG emissions (Scope 3) refer to emissions from employee commuting and business traveling. The emission factors can be seen in the HKEX's *How to Prepare an ESG Report - Appendix 2: Reporting Guidance on Environmental KPIs*, and the *Announcement on the Release of CO₂ Emission Factors for Electricity in 2022 and Announcement on the Release of CO₂ Emission Factors for Electricity in 2023* issued by the Ministry of Ecology and Environment of the People's Republic of China and the National Bureau of Statistics, and the GHG Protocol.

Note 3: In 2024, the rainwater recovery system of Nansha base was paralyzed and not put into use, so the amount of recycled water decreased significantly. In the future, CDHORIZON will repair the system to ensure that the rainwater collection and utilization capacity is restored.

Note 4: The size of CDHORIZON's assets continued to expand and the size of older assets increased, resulting in a significant increase in hazardous waste in 2024.

Note 5: In 2025, the Group strengthened employee training, reducing the generation of hazardous waste caused by operational errors. At the same time, it increased the proportion of internal reuse and recycling, resulting in a decrease in hazardous waste generated during the year.

© Environmental Data of Horizon Healthcare¹

Metric		Unit	2023	2024	2025
GHG emissions ²	Aggregate GHG emissions (Scope 1)	tCO ₂ e	3,989.00	12,243.83	4,142.52
	Aggregate GHG emissions (Scope 2) (Location-based)	tCO ₂ e	44,871.00	43,907.40	48,773.31
	GHG emissions per unit of revenue (Scope 1 and Scope 2) (Location-based)	tCO ₂ e/RMB million	11.53	13.72	14.81
Energy utilization	Total energy consumption	tce	12,189.00	14,182.39	13,974.16
	Energy consumption density per unit of revenue	tce/RMB million	2.88	3.47	3.91
	Aggregate natural gas consumption	m ³	1,291,085.00	1,028,416.93	1,110,699.07
	Gasoline consumption of self-owned vehicles/mobile devices	litre	310,010.00	193,243.88	212,850.67
	Diesel consumption of self-owned vehicles/mobile devices	litre	148,175.00	218,939.12	145,219.56
	Total electricity consumption	MWh	73,222.00	79,578.96	85,300.79
	Electricity consumption per unit of revenue	MWh/RMB million	17.28	19.44	23.88
	Aggregate steam and hot water procurement	GJ	51,871.00	74,852.45	14,280.00

Metric		Unit	2023	2024	2025
Use/ production of clean energy	Renewable energy production (aggregate)	MWh	728.00	1,015.74	1,666.88
Utilization of water resources	Aggregate water consumption	m ³	1,732,435.00	1,735,491.58	1,518,993.40
	of which, recycled water consumption	m ³	6,000.00	3,660.00	3,840.00
	Water consumption per unit of revenue	m ³ /RMB million	408.79	424.06	425.26
General solid waste	Aggregate general solid waste generation	ton	2,359.00	2,191.41	2,297.22
	of which, aggregate recyclable solid waste	ton	--	27.10	91.19
	General solid waste generation per unit of revenue	ton/RMB million	0.56	0.54	0.64
Hazardous wastes	Aggregate hazardous waste generation	ton	1,724.50	1,757.72	1,587.47
	Aggregate hazardous solid waste generation per unit of revenue	ton/RMB million	--	0.43	0.44
	Of which, medical waste (HW01, HW02, HW03)	ton	1,712.40	1,638.96	1,291.24
	Of which, chemical waste (HW06, 09, 12, 13, 17, 21, 22, 33, 34, 35)	ton	6.90	5.70	1.74
	Of which, electronic waste (HW10)	ton	0.60	0.14	0.29
	of which, other waste (HW49)	ton	4.60	13.06	294.20
Mobile- source exhaust emissions	SO _x	kg	7.07	6.37	5.36
	NO _x	kg	2,743.50	2,202.80	1,793.55
	PM	kg	262.80	203.22	171.86
Wastewater pollutants	COD	kg	97,808.58	117,482.60	94,825.51
	BOD	kg	20,404.56	32,010.46	23,118.08
	Ammonia Nitrogen (NH ₃ -N)	kg	16,729.02	17,430.54	9,913.94

Note 1: The above statistics are based on the consolidated statements of Horizon Healthcare. There are more fluctuations in the various types of environmental data in 2024 compared to 2023 due to changes in the scope of the hospitals held by Horizon Healthcare in 2024.

Note 2: For Horizon Healthcare, GHG emissions (Scope 1) refer to direct emissions from the consumption of natural gas, gasoline, diesel, and refrigerants, etc.; and GHG emissions (Scope 2) refer to indirect emissions from purchased electricity and purchased heating power. The emission factors can be seen in the HKEX's *How to Prepare an ESG Report - Appendix 2: Reporting Guidance on Environmental KPIs*, and the *Announcement on the Release of CO₂ Emission Factors for Electricity in 2022* and *Announcement on the Release of CO₂ Emission Factors for Electricity in 2023* issued by the Ministry of Ecology and Environment of the People's Republic of China and the National Bureau of Statistics, and the GHG Protocol.

Social Performance Table

Product Responsibility Performance¹

Metric	Unit	2023	2024	2025
Complaints received on products and services	Items	10	5	14
Complaint handling rate	%	100	100	100

Note 1: Data collection encompasses traditional financial activities like financial leasing within the Group, excluding innovative financial services and other industry sectors.

Community Responsibility Performance

Metric	Unit	2023	2024	2025
Spending in community public welfare ¹	RMB10,000	882.42	905.21	398.90
Number of participants in volunteer activities	person	92	98	84
Volunteer service hours	hour	5,052	5,328	4,803

Note 1: "Spending in community public welfare" refers to the total amount of charitable funds disbursed by the Shanghai Horizon Charity Foundation and the Beijing Horizon Charity Foundation, both of which were established and funded by the Group.

Employment and Training Performance

Metric	Unit	2023	2024	2025	
Employment					
Total number of employees	person	19,337	22,051	22,228	
By gender	Male employees	person	10,138	12,434	12,815
	Female employees	person	9,199	9,617	9,413
By employment type	Full-time contracted employees	person	18,153	19,171	18,825
	Full-time dispatched employees	person	33	8	5
	Employees engaged in other forms ¹	person	1,151	2,872	3,398
By educational background	Employees with a bachelor's degree or above	person	10,948	11,465	15,731
	Employees with a master's degree or above	person	1,595	1,663	1,704
By age	Employees under 30	person	6,999	6,892	6,452
	Employees aged 30 and 50	person	11,339	13,935	14,722
	Employees over 50	person	999	1,224	1,054
By region	Employees based in the Chinese mainland	person	19,228	21,215	20,811
	Employees based in Hong Kong, Macao and Taiwan and overseas ²	person	109	836	1,417
Total number of ethnic-minority employees	person	1,365	1,348	1,296	
Employees with disabilities	person	47	73	141	

Metric		Unit	2023	2024	2025
Proportion of female employees in management levels of business departments ³		%	25.00	14.90	17.94
Proportion of female employees in STEM related positions ⁴		%	7.00	8.80	13.38
Employee Turnover, Remuneration and Other Routine Data					
Employee turnover rate ⁵		%	15.65	27.53	28.54
By gender	Turnover rate of male employees	%	22.19	33.23	34.05
	Turnover rate of female employees	%	7.04	18.52	19.36
By age	Turnover rate of employees under 30	%	16.98	27.56	35.49
	Turnover rate of employees between 30 and 50	%	15.68	27.31	24.87
	Turnover rate of employees over 50	%	4.58	29.90	30.11
By region	Turnover rate of employees based in the Chinese mainland	%	15.68	28.22	28.61
	Turnover rate of employees based in Hong Kong, Macao and Taiwan and overseas	%	10.66	4.18	27.37
Voluntary employee turnover rate		%	14.56	21.53	22.35
By gender	Voluntary turnover rate of male employees	%	22.75	27.31	27.28
	Voluntary turnover rate of female employees	%	5.54	12.53	14.44
By age	Voluntary turnover rate of employees under 30	%	16.67	22.76	29.16
	Voluntary turnover rate of employees between 30 and 50	%	14.19	20.97	18.85
	Voluntary turnover rate of employees over 50	%	4.00	21.59	23.40
By region	Voluntary turnover rate of employees based in the Chinese mainland	%	14.59	22.10	22.31
	Voluntary turnover rate of employees based in Hong Kong, Macao and Taiwan and overseas	%	10.09	3.62	22.91
Employee coverage of the employee engagement survey		person	6,621	6,688	6,588
Employee engagement result		%	84.71	82.62	74.70
Total number of employee discrimination cases		Items	0	0	0
Percentage of employees under the collective bargaining agreement ⁶		%	100	100	100
Employee training					
Employee training expenditure ⁷	Finance sector	RMB10,000	1,293.00	1,201.00	1,208.00
	Industry sector	RMB10,000	1,097.00	594.00	547.00

Metric		Unit	2023	2024	2025	
Average hours of training that employees received ⁸		Finance sector	hour	38.05	38.09	38.19
		Industry sector	hour	36.94	33.72	33.83
By gender	Average hours of training that male employees received	Finance sector	hour	37.22	37.31	37.34
		Industry sector	hour	36.57	31.14	31.17
	Average hours of training that female employees received	Finance sector	hour	40.59	40.63	40.66
		Industry sector	hour	37.29	36.13	36.16
By employee type	Average hours of training that senior managers received	Finance sector	hour	32.67	32.66	32.13
		Industry sector	hour	31.00	45.60	44.00
	Average hours of training that middle managers received	Finance sector	hour	41.25	41.27	41.30
		Industry sector	hour	36.30	37.48	37.61
	Average hours of training that junior managers received	Finance sector	hour	37.73	37.71	38.58
		Industry sector	hour	36.95	33.70	33.81
By age	Average hours of training that employees under 30 received	Finance sector	hour	36.80	38.19	38.98
		Industry sector	hour	37.68	33.98	34.00
	Average hours of training that employees between 30 and 50 received	Finance sector	hour	39.43	38.05	38.73
		Industry sector	hour	39.09	33.76	33.60
	Average hours of training that employees over 50 received	Finance sector	hour	32.67	37.92	38.07
		Industry sector	hour	34.14	31.91	35.60
Employee training coverage		Finance sector	%	98.50	98.55	98.42
		Industry sector	%	96.56	96.62	96.43
By gender	Training coverage among male employees	Finance sector	%	75.22	76.46	74.48
		Industry sector	%	47.57	47.94	46.76
	Training coverage among female employees	Finance sector	%	24.78	23.54	25.52
		Industry sector	%	52.43	52.06	53.24
By employee type	Training coverage among senior managers	Finance sector	%	0.25	0.27	0.19
		Industry sector	%	0.01	0.01	0.01
	Training coverage among middle managers	Finance sector	%	9.26	10.71	8.55
		Industry sector	%	0.43	0.41	0.51
	Training coverage among junior managers	Finance sector	%	90.48	89.02	91.25
		Industry sector	%	99.56	99.58	99.48

Note 1: Other forms of employment include interns, job outsourcing, etc. In 2024, the Group adjusted its employment structure by increasing the number of outsourced personnel.

Note 2: Starting in 2024, CDHORIZON began rapidly expanding its overseas business market, resulting in an increase in the number of employees working in Hong Kong, Macau, Taiwan, and overseas.

Note 3: Business departments refer to the core business units of the Group that directly participate in revenue and profit creation.

Note 4: STEM related positions refer to positions that require specialized knowledge and skills in the field of science, technology, engineering or mathematics to solve complex problems, or conduct technology R&D or creative design.

Note 5: Turnover rate of employees of a category=number of employees of that category left the Group during the year/(total number of employees at the end of the year + total number of employees who left the Group during the year).

Note 6: Employees under the collective bargaining agreement contain all Full-time contracted employees.

Note 7: In 2024, the industrial segment optimized its employee structure and adjusted its recruitment strategy, which resulted in a decrease in employee training expenditure due to the decline in the total number of employees and the number of new employees.

Note 8: Average hours of training of each employee category per year = total hours of training employees of that category received during the year/number of employees of that category who received training.

Employee Health and Safety Performance

Employee Health and Safety Performance of the Group

Metric	Unit	2023	2024	2025
Number of work-related fatalities ¹	person	0	0	0
Working days lost due to work injury	day	1,272.0	1,596.5	1,028.5
Times of safety supervision	time	3,318	3,234	4,089
Number of emergency drills	time	670	405	687
Safety training and promotion participants	person-time	86,720	101,214	125,983

Note 1: The number of work-related fatalities includes employees of departments, industry platforms and contractors across the Group.

Employee Health and Safety Performance of CDHORIZON

Metric	Unit	2023	2024	2025
Number of work-related fatalities	person	0	0	0
Working days lost due to work injury	day	376	5891	596.5
Times of safety supervision	time	2,534	2,638	2,587
Number of emergency drills	time	339	293	331
Safety training and promotion participants	person-time	63,450	78,718	80,215

© Employee Health and Safety Performance of Horizon Healthcare

Metric	Unit	2023	2024	2025
Number of work-related fatalities	person	0	0	0
Working days lost due to work injury	day	896	1,007.5	1,262.5
Times of safety supervision	time	656	333	486
Number of emergency drills	time	278	89	276
Safety training and promotion participants	person-time	21,530	18,396	23,965

Supplier Management Performance¹

Metric	Unit	2023	2024	2025
Total number of suppliers ²	Number	1,092	1,373	1,822
By region	Suppliers based in the Chinese mainland	1,033	1,297	1,738
	Suppliers based in Hong Kong, Macao, Taiwan and overseas	59	76	84

Note 1: The statistics are based on the finance sector of Far East Horizon.

Note 2: [Calculation method] total number of suppliers=number of suppliers based in the Chinese mainland + number of suppliers based in Hong Kong, Macao, Taiwan and overseas.

Governance Performance Table

Anti-corruption Performance

Metric	Unit	2023	2024	2025
Number of anti-corruption related training sessions	time	197	212	135
Employee attendance in anti-corruption related training	person-time	15,760	10,502	10,339
Director attendance in anti-corruption related training	person-time	3	3	3
Average hours of anti-corruption related training per employee	hour/person	8.25	4.65	4.50
Average hours of anti-corruption related training per director	hour/person	1.00	1.00	1.00
Number of corruption cases that were lodged against the issuer or its employees and were concluded during the reporting period ¹	Items	4	3	3
Total fines received for violation of anti-corruption laws and regulations	RMB10,000	0	0	0
Number of employees dealt with for corruption	person	4	3	3

Note 1: The three concluded corruption-related legal proceedings that arose in 2025 comprised: one case involving an employee suspected of embezzlement and acceptance of bribes from non-state entities, and two cases involving an employee who fraudulently fabricated an official company seal. In response to these management issues, the Group conducted an in-depth analysis and implemented corresponding remedial measures, including improving procurement and seal management regulations, enhancing key risk assessments, optimizing process checkpoints and access controls, and conducting warning and integrity education campaigns to reinforce the integrity protection framework.

Report Standard Index Table

HKEX ESG Reporting Code (Version Effective from 1 January 2025) Index Table

Part B: Mandatory Disclosure Requirements			
Mandatory Disclosure Item		Corresponding Section of this Report, Other Explanations	
Governance Structure		ESG Management Statement from the Board of Directors 3.1 ESG Governance Arrangements	
Reporting Principles		Statement on Preparation of the Report	
Reporting Boundary		Statement on Preparation of the Report ESG Data Tables and Notes	
Part C: "Comply or Explain" Provisions			
Main Categories, Layers, General Disclosures, and Key Performance Indicators		Corresponding Section of this Report, Other Explanations	
Main Categories, Layers, General Disclosures, and Key Performance Indicators		Corresponding Section of this Report, Other Explanations	
A. Environmental		Aspect A3. The Environment and Natural Resources	
Aspect A1. Emissions		General Disclosure A3	
General Disclosure A1	4.4 Environmental Management	4.1 Climate Change Response 4.2 Ecosystem and Biodiversity Protection	
KPI A1.1	4.4 Environmental Management ESG Data Tables and Notes	KPI A3.1	
KPI A1.2 [Deleted on 1 January 2025]	---	4.1 Climate Change Response 4.2 Ecosystem and Biodiversity Protection	
KPI A1.3	ESG Data Tables and Notes	Aspect A4. Climate Change	
KPI A1.4	ESG Data Tables and Notes	General Disclosures A4 [deleted on 1 January 2025]	
KPI A1.5	4.4 Environmental Management	---	
KPI A1.6	4.4 Environmental Management	KPI A4.1 [deleted on 1 January 2025]	
Aspect A2. Use of Resources		B. Social	
General Disclosure A2	4.4 Environmental Management	Employment and Labour Practices	
KPI A2.1	ESG Data Tables and Notes	Aspect B1. Employment	
KPI A2.2	ESG Data Tables and Notes	General Disclosure B1	
KPI A2.3	4.4 Environmental Management	6.1 Human Capital Management	
KPI A2.4	4.4 Environmental Management	KPI B1.1	
KPI A2.5	The Group's business does not involve the production or manufacturing of physical products and therefore does not involve matters related to finished product packaging.	KPI B1.2	
		ESG Data Tables and Notes	
		Aspect B2. Health and Safety	
		General Disclosure B2	
		6.2 Occupational Health and Safety	

Main Categories, Layers, General Disclosures, and Key Performance Indicators	Corresponding Section of this Report, Other Explanations
KPI B2.1	ESG Data Tables and Notes
KPI B2.2	ESG Data Tables and Notes
KPI B2.3	6.2 Occupational Health and Safety
Aspect B3. Development and Training	
General Disclosure B3	6.1 Human Capital Management
B3.1	ESG Data Tables and Notes
B3.2	ESG Data Tables and Notes
Aspect B4. Labour Standards	
General Disclosure B4	6.1 Human Capital Management
KPI B4.1	6.1 Human Capital Management
KPI B4.2	6.1 Human Capital Management
Operating Practices	
Aspect B5. Supply Chain Management	
General Disclosure B5	5.6 Supplier sustainability management
KPI B5.1	ESG Data Tables and Notes
KPI B5.2	5.6 Supplier sustainability management ESG Data Tables and Notes
KPI B5.3	5.6 Supplier sustainability management
KPI B5.4	5.6 Supplier sustainability management
Aspect B6. Product Responsibility	
General Disclosure B6	5.2 Customer Service and Satisfaction 5.4 Privacy and Data Security 7.2 Risk and Crisis Management 8.2 Construction and Equipment Quality 9.2 High-Quality Medical Services 9.3 Healthcare Facility Safety 10.2 Campus Education and Safety

Main Categories, Layers, General Disclosures, and Key Performance Indicators	Corresponding Section of this Report, Other Explanations
KPI B6.1	The Group's business does not involve the manufacturing of products and therefore does not involve product call
KPI B6.2	ESG Data Tables and Notes
KPI B6.3	7.3 Compliance Operations
KPI B6.4	7.2 Risk and Crisis Management 8.2 Construction and Equipment Quality
KPI B6.5	5.2 Customer Service and Satisfaction 5.4 Privacy and Data Security 10.2 Campus Education and Safety
Aspect B7. Anti-corruption	
General Disclosure B7	7.4 Business Ethics
KPI B7.1	ESG Data Tables and Notes
KPI B7.2	7.4 Business Ethics
KPI B7.3	7.4 Business Ethics ESG Data Tables and Notes
Community	
Aspect B8. Community Investment	
General Disclosure B8	6.3 Public Welfare and Rural Revitalization
KPI B8.1	6.3 Public Welfare and Rural Revitalization
KPI B8.2	6.3 Public Welfare and Rural Revitalization ESG Data Tables and Notes

Part D: Climate-Related Disclosure

Climate-related Disclosures	Corresponding Section of this Report, Other Explanations
(I) Governance	
19. Governance	4.1 Climate Change Response - Governance
(II) Strategy	
20. Climate-related Risks and Opportunities	4.1 Climate Change Response - Strategy
21. Business Model and Value Chain	4.1 Climate Change Response - Strategy
22-23. Strategy and Decision-making	4.1 Climate Change Response - Strategy
24-25. Financial Position, Financial Performance and Cash Flows	4.1 Climate Change Response - Strategy Given that the relevant impacts are difficult to separately identify or reliably measure in the financial statements at this stage, the Group applies "Financial Effects Relief" and has not disclosed quantitative information in accordance with the circumstances outlined in paragraph 25 of the Code.
26. Climate Resilience	4.1 Climate Change Response - Strategy
(III) Risk Management	
27. Risk Management	4.1 Climate Change Response - Risk Management
(IV) Metrics and Targets	
28-29. Greenhouse Gas Emissions	ESG Data Tables and Notes – Environmental Performance Metrics Table
30. Climate-related Transition Risks	4.1 Climate Change Response - Strategy Apply "Reasonable Information Relief". The Group has identified the key types of transition and physical risks as well as the main areas of exposure. However, given that, at this stage, it is difficult to reliably measure the amounts and proportions relating to specific assets or business activities, the Group has not disclosed quantitative proportions.
31. Climate-related Physical Risks	Apply "Reasonable Information Relief". The Group has conducted its assessment based on information that is reasonably available without undue cost or effort as at the reporting date. The Group will continue to enhance its disclosures on physical risks and transition opportunities as the underlying data foundations and methodologies mature further.
32. Climate-related Opportunities	
33. Capital Deployment	4.1 Climate Change Response - Strategy 4.3 Sustainable Finance
34. Internal Carbon Prices	The Group had not yet applied a carbon pricing mechanism in decision-making. In the future, the Group will, in light of its actual circumstances and external regulatory requirements, gradually explore the feasibility of applying an internal carbon pricing mechanism, and apply it as appropriate.
35. Remuneration	4.1 Climate Change Response - Governance
36. Industry-based Metrics	4.1 Climate Change Response - Strategy, Metrics and Targets
37-40. Climate-related Targets	4.1 Climate Change Response – Metrics and Targets
41. Applicability of Cross-industry Metrics and Industry-based Metrics	The Group identified and disclosed applicable cross-industry metrics and industry metrics when disclosing climate-related targets and metrics.

GRI Content Index

Statement of use	Far East Horizon has reported the information cited in this GRI content index for the period from 1 January 2025 to 31 December 2025 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI Standard	Disclosure	Location
GRI 2: General Disclosures 2021	2-1	1 About Far East Horizon
	2-2	Statement on Preparation of the Report
	2-3	Statement on Preparation of the Report
	2-5	Independent Third-Party Assurance Statement
	2-6	1 About Far East Horizon
	2-7	6 People-Centred, Flourishing Together ESG Data Tables and Notes
	2-8	6 People-Centred, Flourishing Together
	2-9	1 About Far East Horizon 3.1 ESG Governance Arrangements 7.1 Corporate Governance
	2-10	7.1 Corporate Governance
	2-11	7.1 Corporate Governance
	2-12	2.2 Stakeholders Communication 3.1 ESG Governance Arrangements 3.2 Sustainability Philosophy and Strategy
	2-13	3.1 ESG Governance Arrangements
	2-14	Statement on Preparation of the Report 3.1 ESG Governance Arrangements
	2-16	3.1 ESG Governance Arrangements
	2-17	3.1 ESG Governance Arrangements

GRI Standard	Disclosure	Location
GRI 2: General Disclosures 2021	2-20	7.1 Corporate Governance
	2-22	ESG Management Statement from the Board of Directors
	2-23	ESG Management Statement from the Board of Directors
	2-27	7.2 Risk and Crisis Management
	2-28	1 About Far East Horizon
	2-29	2.2 Stakeholders Communication
	GRI 3: Material Topics 2021	3-1
3-2		2.3 Conclusions of the Materiality Analysis
3-3		Report Section
GRI 101: Biodiversity 2024	101-1	4.2 Ecosystem and Biodiversity Protection
	101-2	4.2 Ecosystem and Biodiversity Protection
	101-4	4.2 Ecosystem and Biodiversity Protection
	101-5	4.2 Ecosystem and Biodiversity Protection
GRI 201: Economic Performance 2016	201-1	Key Sustainability Performance Overview of Far East Horizon in 2025 ESG Data Tables and Notes
	201-2	4.1 Climate Change Response
GRI 203: Indirect Economic Impacts 2016	203-1	4.3 Sustainable Finance
	203-2	5.1 Real Economy Support 6.3 Public Welfare and Rural Revitalization

GRI Standard	Disclosure	Location
GRI 205: Anti-corruption 2016	205-1	7.4 Business ethics
	205-2	ESG Data Tables and Notes
	205-3	
GRI 302: Energy 2016	302-1	4.4 Environmental Management
	302-2	
	302-3	ESG Data Tables and Notes
	302-4	
GRI 303: Water and Effluents 2018	303-1	4.4 Environmental Management
	303-2	
	303-3	ESG Data Tables and Notes
	303-4	
	303-5	
GRI 102: Climate Change 2025	102-1	4.1 Climate Change Response
	102-2	
	102-4	
	102-5	ESG Data Tables and Notes
	102-6	
	102-7	
	102-8	
GRI 306: Waste 2020	306-1	4.4 Environmental Management
	306-2	ESG Data Tables and Notes
	306-3	
GRI 401: Employment 2016	401-1	6.1 Human capital Management
	401-2	ESG Data Tables and Notes

GRI Standard	Disclosure	Location
GRI 403: Occupational Health and Safety 2018	403-1	6.2 Occupational Health and Safety ESG Data Tables and Notes
	403-2	
	403-3	
	403-4	
	403-5	
	403-6	
	403-7	
GRI 404: Training and Education 2016	403-9	6.1 Human Capital Management
	404-1	ESG Data Tables and Notes
404-2		
GRI 405: Diversity and Equal Opportunity 2016	405-1	6.1 Human Capital Management 7.1 Corporate Governance ESG Data Tables and Notes
GRI 406: Non-discrimination 2016	406-1	6.1 Human Capital Management
GRI 408: Child Labour 2016	408-1	6.1 Human Capital Management
GRI 409: Forced or Compulsory Labour 2016	409-1	6.1 Human Capital Management
GRI 418: Customer Privacy 2016	418-1	5.4 Privacy and Data Security

Appendix 1: Glossary

Definitions of Common Terms		
FEHORIZON Leasing	means	International Far Eastern Leasing Co., Ltd., Far East Horizon (Tianjin) Financial Leasing Co., Ltd., Far East Horizon Leasing Co., Ltd. and Far East Horizon Financial Leasing (Guangdong) Co., Ltd. It is the core platform of Far East Horizon in the domestic field of financial services and is a leading financial leasing service provider in China.
FEHORIZON Factoring	means	FEHORIZON Commercial Factoring (Tianjin) Co., Ltd. – A specialized platform under Far East Horizon engaged in factoring business, providing supply chain financing and value-added services to customers.
FEHORIZON International	means	Far East Horizon Capital Limited, Far East Horizon Asset Management Limited, and Far East Horizon International Securities Limited, specialized platforms under Far East Horizon engaged in cross-border financial services.
FEHORIZON Asset Management	means	Shanghai Horizon Construction Investment Co., Ltd., and Hongjie Asset Management Co., Ltd., specialized platforms under Far East Horizon responsible for full-cycle asset investment management.
FEHORIZON Inclusive	means	Far East Horizon Inclusive Financial Leasing (Tianjin) Co., Ltd., a specialized platform under Far East Horizon that provides financial leasing services for micro, small and medium-sized enterprises.
Grand Flight	means	Grand Flight Investment Management Co., Ltd., an alternative investment platform with Far East Horizon as its principal sponsor and managed by a professional team.
FE ZENITH Capital	means	Shanghai FE Private Equity Fund Management Co., Ltd., a professional asset management company focusing on private equity investment wholly owned by Far East Horizon.
CDHORIZON	means	Horizon Construction Development Limited, an integrated equipment operation service provider under Far East Horizon. It was listed on the Main Board of the Stock Exchange of Hong Kong, with the stock code 09930.HK.
Horizon Healthcare	means	Far East Horizon Healthcare Industry Development Co., Ltd., a large non-public hospital running platform under Far East Horizon in China.
Horizon Education	means	Shanghai Horizon Education Investment Holdings Co., Ltd., a specialized education platform under Far East Horizon.
Horizon Equipment	means	Shanghai Horizon Equipment Engineering Co., Ltd., a comprehensive construction equipment operations service provider under Far East Horizon, engaged in equipment operation and management as well as engineering construction services.
Hongjin Equipment	means	Shanghai Hongjin Equipment Engineering Co., Ltd., an integrated service provider under Far East Horizon offering R&D, manufacturing, design, leasing, sales, construction and technical support for building construction equipment.
Qingdao Hongwen	means	Hongwen School Qingdao Campus, a full-time international high school operated by Horizon Education.
Innovative finance	means	financial business other than traditional financial business such as financial leasing, including supply chain finance, inclusive finance, asset investment management and equity investment.
HKEX	means	the Stock Exchange of Hong Kong Limited.

Definitions of Common Terms		
Listing Rules	means	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.
SSE	means	the Shanghai Stock Exchange.
GSSB	means	the Global Sustainability Standards Board.
GRI Standard	means	the <i>GRI Standards</i> released by the Global Sustainability Standards Board (GSSB) in October 2021.
RMB	means	the legal tender of China.
PPP Project	means	joint investment, construction and operation of public infrastructure or service projects by the government and social capital through a partnership model.
Suppliers	means	an individual/company that provides products/services to the Group or acts on behalf of the Company, including but not limited to suppliers (in the narrow sense), contractors or subcontractors, dealers, agents and consultants.
PCAF methodology	means	the <i>Global GHG Accounting and Reporting Standard for the Financial Industry</i> released by the Partnership for Carbon Accounting Financials (PCAF).

Appendix 2: Independent Third-Party Assurance Statement



ASSURANCE STATEMENT

REPORT ON SUSTAINABILITY ACTIVITIES IN THE FAR EAST HORIZON LIMITED'S 2025 SUSTAINABILITY & ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) REPORT

NATURE OF THE ASSURANCE/VERIFICATION

SGS-CSTC Standards Technical Services Co., Ltd. (hereinafter referred to as SGS-CSTC) was commissioned by Far East Horizon Limited (hereinafter referred to as Far East Horizon) to conduct an independent assurance of the 2025 Sustainability & Environmental, Social and Governance (ESG) Report (Chinese version) for the period of January 1, 2025 to December 31, 2025.

INTENDED USERS OF THIS ASSURANCE STATEMENT

This Assurance Statement is provided with the intention of informing all Far East Horizon's Stakeholders.

RESPONSIBILITIES

The sustainability information in the 2025 Sustainability & Environmental, Social and Governance (ESG) Report and its presentation are the responsibility of Far East Horizon's ESG governing body and the management. SGS-CSTC has not been involved in the preparation of any of the material included in the 2025 Sustainability & Environmental, Social and Governance (ESG) Report.

Our responsibility is to express an opinion on the sustainability performance information within the scope of assurance based upon sufficient and appropriate objective evidence.

SGS-CSTC hereby states that it shall not be held responsible or liable for any direct, indirect, incidental, or consequential damages or losses arising from or in connection with the use of information provided in this report.

ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE

The SGS Group ESG & Sustainability Report Assurance (SRA) protocols used to conduct assurance are based upon internationally recognised assurance standards including the ISAE 3000.

The assurance of this report has been conducted according to the following Assurance Standards:

Assurance Standard	Level of Assurance
ISAE 3000	Limited

SCOPE OF ASSURANCE

The scope of the assurance included evaluation of quality, accuracy and reliability of sustainability performance information in the 2025 Sustainability & Environmental, Social and Governance (ESG) Report, key performance indicators are excerpted as detailed below:

Environmental indicators	Renewable energy production (aggregate) Aggregate water consumption Recycled water consumption Aggregate general solid waste generation Aggregate recyclable solid waste
Social indicators	Total number of employees Employee turnover rate Voluntary employee turnover rate
Governance indicators	Number of anti-corruption related training sessions Employee attendance in anti-corruption related training Director attendance in anti-corruption related training

The scope of the assurance also included evaluation of adherence to the following reporting criteria:

Reporting Criteria
GRI Standards 2021 (With Reference to)
Appendix C2 Environmental, Social and Governance Reporting Code of Listing Rules published by Hong Kong Exchanges and Clearing Limited (HKEX)

ASSURANCE METHODOLOGY

The assurance comprised a combination of pre-assurance research, interviews with relevant employees on-site at Far East Horizon Plaza, 9 Yaojiang Road, Pudong New District, Shanghai, P.R. China, including documentation and record review and validation where relevant. This assurance engagement was restricted to the group level of Far East Horizon and did not include traceability of all original data from subordinate institutions.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

LIMITATIONS AND MITIGATION

Data drawn directly from independently audited financial accounts and intensity data calculated based on financial data has not been checked back to source as part of this assurance process.

The greenhouse gas emission related data in the *2025 Sustainability & Environmental, Social and Governance (ESG) Report* has been directly adopted from the independent third party verification data and has not been double verified in this audit.

STATEMENT OF INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing and certification, operating in multiple countries and providing services. As an affiliate of SGS Group, SGS-CSTC affirm our independence from Far East Horizon, being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment.

FINDINGS AND CONCLUSIONS

ASSURANCE/VERIFICATION OPINION

On the basis of the methodology described and the assurance engagement performed, no inaccuracies or reliability issues were identified within the scope of the sustainability performance information covered by the Far East Horizon's *2025 Sustainability & Environmental, Social and Governance (ESG) Report*.

ADHERENCE TO GRI STANDARDS 2021

The assurance team concludes that the Far East Horizon's *2025 Sustainability & Environmental, Social and Governance (ESG) Report* has been prepared with reference to the requirements of GRI Standards 2021.

ADHERENCE TO APPENDIX C2 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING CODE OF LISTING RULES PUBLISHED BY HKEX

The assurance team concludes that the Far East Horizon's *2025 Sustainability & Environmental, Social and Governance (ESG) Report* has been prepared in accordance with the requirements of Appendix C2 Environmental, Social and Governance Reporting Code of Listing Rules published by HKEX.

Signed:



For and on behalf of SGS-CSTC

David Xin
Sr. Director – Business Assurance
16/F Century Yuhui Mansion, No. 73, Fucheng Road, Haidian District, Beijing, P.R. China

Apr. 14th, 2026
WWW.SGS.COM



CN26/00002577

Statement of Conformity CN26/00002336



Greenhouse Gas Verification Statement

The inventory of Greenhouse Gas emissions in
01 Jan. 2025 to 31 Dec. 2025 of

Far East Horizon Limited

Business address: FLAT/RM 6706B-6708A, 67/F INTERNATIONAL COMMERCE CENTRE
1 AUSTIN ROAD WEST KL
Organization boundary: FEHORIZON Plaza, 9 Yaojiang Road, Pudong New Area,
Shanghai, P.R. China

has been verified in accordance with ISO 14064-3:2019 as meeting the requirements of

ISO 14064-1:2018

Direct Emissions

38,202.88 tonnes of CO₂e

Indirect Emissions

1,488,290.43 tonnes of CO₂e

Total Emissions Quantified

1,526,493.31 tonnes of CO₂e

The specific categories of indirect greenhouse gas emissions are detailed in the
appendix of this statement, which is an integral part of this statement

Authorised by
David Xin
Sr. Director - Business Assurance
DATE: 21 Mar. 2026

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Page 1 of 6

SGS has been contracted by Far East Horizon Limited (hereinafter referred to as "CLIENT"), for the verification of direct and indirect Greenhouse Gas emissions in accordance with

ISO 14064-3:2019

as provided by Far East Horizon Limited (hereinafter referred to as "RESPONSIBLE PARTY"), in the Greenhouse Gas (GHG) Assertion in the form of GHG Report covering GHG emissions of the period 01 Jan. 2025 to 31 Dec. 2025 (hereinafter referred to as "REPORT PERIOD").

Roles and responsibilities

The management of the RESPONSIBLE PARTY is responsible for the organization's GHG information system, the development and maintenance of records and reporting procedures in accordance with that system, including the calculation and determination of GHG emissions information and the reported GHG emissions.

It is SGS's responsibility to express an independent GHG verification opinion on the GHG statement as provided by the RESPONSIBLE PARTY for the REPORT PERIOD.

According to ISO 14064-3:2019, SGS has conducted a third-party verification of the provided GHG statement by RESPONSIBLE PARTY against the requirements of ISO 14064-1:2018 in the period S1A: 10 Mar. 2026. S2A: 16-20 Mar. 2026. The verification is based on the verification scope, objectives and criteria as agreed between the CLIENT and SGS on 07 Mar. 2026.

Level of Assurance

The level of assurance agreed is that of Reasonable assurance.

Scope

The CLIENT has commissioned an independent verification by SGS in according to ISO 14064-3:2019 to assure the reported GHG emissions of RESPONSIBLE PARTY, in conformance with ISO 14064-1:2018 requirements within the scope of the verification as outlined below. The data and information supporting the GHG statement is historical in nature.

This engagement covers verification of emission from anthropogenic sources of greenhouse gases included within the organization's boundary:

- The organizational boundary is established following Operational control approach
- Location/boundary of the activities: detail boundary information has been listed in Annex
- Physical infrastructure, activities, technologies and processes: Provide financial services.
- GHG sources, sinks and/or reservoirs included: GHG sources as presented in the GHG inventory and report of the RESPONSIBLE PARTY
- Types of GHGs included: CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃
- GHG information for the following period was verified: 01 Jan. 2025 to 31 Dec. 2025
- GWP adopted: IPCC 6 Assessment Report.
- Intended user of the verification statement: Group / Internal use / Client.

Objective

The purposes of this verification exercise are, by review of objective evidence, to independently review:

- Whether the GHG emissions are as declared by the organization's GHG statement
- The data reported are accurate, complete, consistent, transparent and free of material error or omission.

Criteria

Criteria against which the verification assessment is undertaken are the requirements of ISO 14064-3:2019.

Materiality

The materiality required of the verification is considered by SGS to 5%, based on the needs of the intended user of the GHG statement.

Verification approach

SGS's approach is risk-based, drawing on an understanding of the risks associated with reporting GHG emissions information and the controls in place to mitigate these. Our examination includes assessment of evidence relevant to the amounts and disclosures in relation to the organization's reported GHG emissions

We plan and perform our work to obtain the information, explanations and evidence that we considered necessary to provide a reasonable level of assurance that the GHG emissions for the REPORT PERIOD are fairly stated.

We conduct our verification with regard to the GHG statement of GHG Report of the RESPONSIBLE PARTY which includes assessment of GHG information system and reporting plan/protocol. This assessment includes the collection of evidence supporting the reported data, and checking whether the provisions of the protocol reference, are consistently and appropriately applied.

Verification opinion conclusion

The RESPONSIBLE PARTY provided the GHG statement based on the requirements of ISO 14064-1:2018 that total emission 1,526,493.31 tonnes of CO₂e in the organization boundary for the REPORT PERIOD.

The verification opinion as below is issued by SGS after an independent verification for RESPONSIBLE PARTY's GHG statement base on agreed Reasonable assurance:

Unmodified

The GHG statement submitted by RESPONSIBLE PARTY is prepared in accordance with ISO 14064-1:2018 on GHG quantification and reporting, is a fair representation materially, the GHG data and information in statement are explicit and supported by adequacy and appropriate evidence.

Modified

The GHG statement submitted by RESPONSIBLE PARTY has no material misstatement, however has some deficiencies which will prevent the issuance of unmodified verification opinion.

Adverse opinion

The GHG statement submitted by RESPONSIBLE PARTY:

- has no material misstatement or
- there is insufficient or inappropriate evidence to support an unmodified or modified opinion.

Disclaiming the issuance of an opinion

It is unable to obtain sufficient and appropriate objective evidence to form an opinion as to whether the GHG statement submitted is presented fairly in accordance with ISO 14064-1:2018

This statement shall be interpreted with the GHG statement of GHG Report of the RESPONSIBLE PARTY as a whole.

Note: This Statement is issued by SGS-CSTC Standards Technical Services Co., Ltd. ("SGS") under its General Conditions for Greenhouse Gas Validation & Verification Services. The findings recorded hereon are based upon a verification performed by SGS. A full copy of this statement, the findings and the supporting GHG Assertion may be consulted from RESPONSIBLE PARTY. This Statement does not relieve Client from compliance with any by laws, federal, national or regional acts and regulations or with any guidelines issued pursuant to such regulations. Stipulations to the contrary are not binding on SGS and SGS shall have no responsibility vis-à-vis parties other than its Client. The verification statement of greenhouse gases is concluded in English. Any translation differences, the English version shall prevail.

Appendix A: List of Organizational Boundaries

List of Organizational Boundaries

Organization name	Description of organizational boundary
Far East Horizon Limited	FEHORIZON Plaza, 9 Yaojiang Road, Pudong New Area, Shanghai, P.R. China

Appendix B Greenhouse Gas Emissions Inventory (ISO14064-1:2018)

Greenhouse Gas Emissions Inventory (ISO14064-1:2018)

Organization name	Far East Horizon Limited	
Organizational boundary	FEHORIZON Plaza, 9 Yaojiang Road, Pudong New Area, Shanghai, P.R. China	
Reporting period	2025.01.01-2025.12.31	
	Report boundary	Greenhouse gas emissions (Unit: tonnes of CO ₂ e)
	Category	
Direct GHG emissions	Category 1 direct GHG emissions	38,202.88
Indirect GHG emissions	Category 2 indirect GHG emissions from imported energy	64,858.08 (Location-based) 73,638.60 (Market-based)
	Category 3 indirect GHG emissions from transportation	84,588.62
	Category 4 indirect GHG emissions from products used by organization	154,286.37
	Category 5 indirect GHG emissions associated with the use of products from the organization	1,184,557.36
	Category 6 indirect GHG emissions from other sources	Not quantified

Appendix C Greenhouse Gas Emissions Inventory (GHG protocol)

Greenhouse Gas Emissions Inventory (GHG protocol)

Organization name	Far East Horizon Limited	
Organizational boundary	FEHORIZON Plaza, 9 Yaojiang Road, Pudong New Area, Shanghai, P.R. China	
Reporting period	2025.01.01-2025.12.31	
Operational boundaries		Greenhouse gas emissions (Unit: tonnes of CO2e)
Category		
Scope1 direct GHG emissions		38,202.88
Scope2 indirect GHG emissions from imported energy		64,858.08 (Location-based) 73,638.60 (Market-based)
Scope3 other indirect GHG emissions	Category1-Purchaed goods and services	43,129.85
	Category2-Capital goods	91,332.48
	Category3-Fuel and energy-related activities (not included in scope1 and scope2)	18,466.16
	Category4-Upstream transportation and distribution	59,780.92
	Category5-Waste generated in operations	1,357.89
	Category6-Business travel	22,318.11
	Category7-Employee commuting	2,489.60
	Category8-Upstream leased assets	Not quantified
	Category9-Downstream transportation and distribution	Not quantified
	Category10-Processing of sold products	Not quantified
	Category11-Use of sold products	63,145.34
	Category12-End-of -life treatment of sold products	44,318.96
	Category13-Downstream leased assets	585,977.18
	Category14-Franchises	Not quantified
	Category15-Investments	491,115.88



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